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ADDITIONS AND CORRECTIONS

TO THE

FIRST AND SECOND EDITIONS

OF

Dr. ADAM SMITH'S INQUIRY into the NATURE and CAUSES of the WEALTH of NATIONS.

VOL. I. *page* 36, *line* 17, *after the words*, purchaſe or command, *add*,

WEALTH, as Mr. Hobbes ſays, is power. But the perſon who either acquires, or ſucceeds to a great fortune, does not neceſſarily acquire or ſucceed to any political power, either civil or military. His fortune may, perhaps, afford him the means of acquiring both; but the mere poſſeſſion of that fortune does neceſſarily convey to him either. The power which that poſſeſſion immediately and directly conveys to him, is the power of purchaſing; a certain command over all the labour, or over all the produce of labour, which is then in the market. His fortune is greater or leſs, preciſely in proportion to the extent of this power; or to the quantity either of other men's labour, or, what is the ſame thing, of the produce of other men's labour, which it enables him to purchaſe or command. The exchangeable value of every thing muſt always be preciſely equal to the extent of this power which it conveys to its owner.

VOL. I. *page* 270, *line* 8, *after the words* European market, *add*,

IT muſt be obſerved, however, that whatever may be the ſuppoſed annual importation of gold and ſilver, there muſt be a certain period, at which the annual conſumption of thoſe metals will be equal to that annual importation. Their conſumption muſt increaſe as their maſs increaſes, or rather in a much greater proportion. As their maſs increaſes, their value diminiſhes. They are more uſed, and leſs cared for, and their conſumption conſequently increaſes in a greater proportion than their maſs. After a certain period, therefore, the annual conſumption of thoſe metals muſt, in this manner, become equal to their annual importation, provided that importation is not continually increaſing; which, in the preſent times, is not ſuppoſed to be the caſe.

IF, when the annual conſumption has become equal to the annual importation, the annual importation ſhould gradually diminiſh, the annual conſumption may, for ſome time, exceed the annual importation. The maſs of thoſe metals may gradually and inſenſibly diminiſh, and their value gradually and inſenſibly riſe, till the annual importation becoming again ſtationary, the annual conſumption will gradually and inſenſibly accommodate itſelf to what that annual importation can maintain.

VOL. II. *page* 31, *line* 21, *after the words* monopoly againſt their countrymen, *add*,

THE variety of goods of which the importation into Great Britain is prohibited, either abſolutely, or under certain circumſtances, greatly exceeds what can eaſily be ſuſpected by thoſe who are not well acquainted with the laws of the cuſtoms.

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VOL. II. *page* 57, *line* 12, dele, *from the words*, Thus in Great Britain, &c. *to the words* national prejudice and animoſity, *line* 18. *and inſert as follows:*

THUS, in Great Britain, Sileſia lawns may be imported for home conſumption upon paying certain duties. But French cambricks and lawns are prohibited to be imported, except into the port of London, there to be warehouſed for exportation. Higher duties are impoſed upon the wines of France than upon thoſe of Portugal, or indeed of any other country. By what is called the impoſt 1692, a duty of five and twenty per cent., of the rate or value, was laid upon all French goods; while the goods of other nations were, the greater part of them, ſubjected to much lighter duties, ſeldom exceeding five per cent. The wine, brandy, ſalt and vinegar of France were indeed excepted; theſe commodities being ſubjected to other heavy duties, either by other laws, or by particular clauſes of the ſame law. In 1696, a ſecond duty of twenty-five per cent., the firſt not having been thought a ſufficient diſcouragement, was impoſed upon all French goods, except brandy; together with a new duty of five and twenty pounds upon the ton of French wine, and another of fifteen pounds upon the ton of French vinegar. French goods have never been omitted in any of thoſe general ſubſidies, or duties of five per cent., which have been impoſed upon all, or the greater part of the goods enumerated in the book of rates. If we count the one third and two third ſubſidies as making a complete ſubſidy between them, there have been five of theſe general ſubſidies; ſo that before the commencement of the preſent war ſeventy-five per cent. may be conſidered as the loweſt duty, to which the greater part of the goods of the growth, produce, or manufacture of France were liable. But upon the greater part of goods, thoſe duties are equivalent to a prohibition. The French in their turn have, I believe, treated our goods and manufactures juſt as hardly; though I am not ſo well acquainted with the particular hardſhips which they have impoſed

upon them. Thoſe mutual reſtraints have put an end to almoſt all fair commerce between the two nations, and ſmugglers are now the principal importers, either of Britiſh goods into France, or of French goods into Great Britain. The principles which I have been examining in the foregoing chapter took their origin from private intereſt and the ſpirit of monopoly; thoſe which I am going to examine in this, from national prejudice and animoſity.

VOL. II. *page* 86. *line* 4. *after the words* inſignificant and contemptible, *add*,

IT is in conſequence of theſe maxims that the commerce between France and England has in both countries been ſubjected to ſo many diſcouragements and reſtraints. If thoſe two countries, however, were to conſider their real intereſt, without either mercantile jealouſy or national animoſity, the commerce of France might be more advantageous to Great Britain than that of any other country, and for the ſame reaſon that of Great Britain to France. France is the neareſt neighbour to Great Britain. In the trade between the ſouthern coaſt of England and the northern and north-weſtern coaſts of France, the returns might be expected, in the ſame manner as in the inland trade, four, five, or ſix times in the year. The capital, therefore, employed in this trade, could in each of the two countries keep in motion four, five, or ſix times the quantity of induſtry, and afford employment and ſubſiſtence to four, five, or ſix times the number of people, which an equal capital could do in the greater part of the other branches of foreign trade. Between the parts of France and Great Britain moſt remote from one another, the returns might be expected, at leaſt, once in the year, and even this trade would ſo far be at leaſt equally advantageous as the greater part of the other branches of our foreign European trade. It would be, at leaſt, three times more advantageous, than the boaſted trade with our

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North American colonies, in which the returns were ſeldom made in leſs than three years, frequently not in leſs than four or five years. France, beſides, is ſuppoſed to contain twenty-four millions of inhabitants. Our North American colonies were never ſuppoſed to contain more than three millions: And France is a much richer country than North America; though, on account of the more unequal diſtribution of riches, there is much more poverty and beggary in the one country, than in the other. France, therefore, could afford a market at leaſt eight times more extenſive, and, on account of the ſuperior frequency of the returns, four and twenty times more advantageous, than that which our North American colonies ever afforded. The trade of Great Britain would be juſt as advantageous to France, and, in proportion to the wealth, population and proximity of the reſpective countries, would have the ſame ſuperiority over that which France carries on with her own colonies. Such is the very great difference between that trade which the wiſdom of both nations has thought proper to diſcourage, and that which it has favoured the moſt.

But the very ſame circumſtances which would have rendered an open and free commerce between the two countries ſo advantageous to both, have occaſioned the principal obſtructions to that commerce. Being neighbours, they are neceſſarily enemies, and the wealth and power of each becomes, upon that account, more formidable to the other; and what would increaſe the advantage of national friendſhip, ſerves only to inflame the violence of national animoſity. They are both rich and induſtrious nations; and the merchants and manufacturers of each, dread the competition of the ſkill and activity of thoſe of the other. Mercantile jealouſy is excited, and both inflames, and is itſelf inflamed, by the violence of national animoſity: And the traders of both countries have announced, with all the paſſionate confidence of intereſted falſehood, the certain ruin of each, in conſequence of that unfavourable balance of trade, which, they pre-

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tend, would be the infallible effect of an unreſtrained commerce with the other.

VOL. II. *page* 89. *line* 7. dele *the ſentence beginning* Half the duties, *&c. and ending* ſubſidies and impoſts; *and inſert as follows:*

BY the ſecond of the rules, annexed to the act of parliament, which impoſed what is now called, the old ſubſidy, every merchant, whether Engliſh or alien, was allowed to draw back half that duty upon exportation; the Engliſh merchant, provided the exportation took place within twelve months; the alien, provided it took place within nine months. Wines, currants, and wrought ſilks were the only goods which did not fall within this rule, having other and more advantageous allowances. The duties impoſed by this act of parliament were, at that time, the only duties upon the importation of foreign goods. The term within which this, and all other drawbacks, could be claimed, was afterwards (by 7 Geo. I. chap. 21. ſect. 10.) extended to three years.

THE duties which have been impoſed ſince the old ſubſidy, are, the greater part of them, wholly drawn back upon exportation. This general rule, however, is liable to a great number of exceptions, and the doctrine of drawbacks has become a much leſs ſimple matter, than it was at their firſt inſtitution.

UPON the exportation of ſome foreign goods, of which it was expected that the importation would greatly exceed what was neceſſary for the home conſumption, the whole duties are drawn back, without retaining even half the old ſubſidy. Before the revolt of our North American colonies, we had the monopoly of the tobacco of Maryland and Virginia. We imported about ninety-ſix thouſand hogſheads, and the home conſumption was not ſuppoſed to exceed fourteen thouſand. To facilitate the great exportation which was neceſſary,

neceſſary, in order to rid us of the reſt, the whole duties were drawn back, provided the exportation took place within three years.

We ſtill have, though not altogether, yet very nearly, the monopoly of the ſugars of our Weſt Indian Iſlands. If ſugars are exported within a year, therefore, all the duties upon importation are drawn back, and if exported within three years, all the duties, except half the old ſubſidy, which ſtill continues to be retained upon the exportation of the greater part of goods. Though the importation of ſugar exceeds, a good deal, what is neceſſary for the home conſumption, the exceſs is inconſiderable, in compariſon of what it uſed to be in tobacco.

Some goods, the particular objects of the jealouſy of our own manufacturers, are prohibited to be imported for home conſumption. They may, however, upon paying certain duties, be imported and warehouſed for exportation. But upon ſuch exportation, no part of theſe duties are drawn back. Our manufacturers are unwilling, it ſeems, that even this reſtricted importation ſhould be encouraged, and are afraid leſt ſome part of theſe goods ſhould be ſtolen out of the warehouſe, and thus come into competition with their own. It is under theſe regulations only that we can import wrought ſilks, French cambricks and lawns, callicoes painted, printed, ſtained, or dyed, &c.

We are unwilling even to be the carriers of French goods, and chooſe rather to forego a profit to ourſelves, than to ſuffer thoſe, whom we conſider as our enemies, to make any profit by our means. Not only half the old ſubſidy, but the ſecond twenty-five per cent., is retained upon the exportation of all French goods.

By the fourth of the rules annexed to the old ſubſidy, the drawback allowed upon the exportation of all wines amounted to a great deal more than half the duties which were, at that time, paid upon their importation; and it ſeems, at that time, to have been the object of the legiſlature to give ſomewhat more than ordinary encou-

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ragement to the carrying trade in wine. Several of the other duties too, which were impoſed, either at the ſame time, or ſubſequent to the old ſubſidy; what is called the additional duty, the new ſubſidy, the one-third and two-thirds ſubſidies, the impoſt 1692, the coinage on wine, were allowed to be wholly drawn back upon exportation. All thoſe duties, however, except the additional duty and impoſt 1692, being paid down in ready money, upon importation, the intereſt of ſo large a ſum occaſioned an expence, which made it unreaſonable to expect any profitable carrying trade in this article. Only a part, therefore, of the duty called the impoſt on wine, and no part of the twenty-five pounds the ton upon French wines, or of the duties impoſed in 1745, in 1763, and in 1778, were allowed to be drawn back upon exportation. The two impoſts of five per cent., impoſed in 1779 and 1781, upon all the former duties of cuſtoms, being allowed to be wholly drawn back upon the exportation of all other goods, were likewiſe allowed to be drawn back upon that of wine. The laſt duty that has been particularly impoſed upon wine, that of 1780, is allowed to be wholly drawn back; an indulgence, which, when ſo many heavy duties are retained, moſt probably could never occaſion the exportation of a ſingle ton of wine. Theſe rules take place with regard to all places of lawful exportation, except the Britiſh colonies in America.

THE 15th Charles II. chap. 7. called an act for the encouragement of trade, had given Great Britain the monopoly of ſupplying the colonies with all the commodities of the growth or manufacture of Europe; and conſequently with wines. In a country of ſo extenſive a coaſt as our North American and Weſt Indian colonies, where our authority was always ſo very ſlender, and where the inhabitants were allowed to carry out, in their own ſhips, their non-enumerated commodities, at firſt, to all parts of Europe, and afterwards to all parts of Europe ſouth of Cape Finiſterre, it is not very probable that this monopoly could ever be much reſpected; and

they probably, at all times, found means of bringing back ſome cargo from the countries to which they were allowed to carry out one. They ſeem, however, to have found ſome difficulty in importing European wines from the places of their growth, and they could not well import them from Great Britain, where they were loaded with many heavy duties, of which a conſiderable part was not drawn back upon exportation. Madeira wine, not being a European commodity, could be imported directly into America and the Weſt Indies, countries which, in all their non-enumerated commodities, enjoyed a free trade to the iſland of Madeira. Theſe circumſtances had probably introduced that general taſte for Madeira wine, which our officers found eſtabliſhed in all our colonies at the commencement of the war, which began in 1755, and which they brought back with them to the mother-country, where that wine had not been much in faſhion before. Upon the concluſion of that war, in 1763 (by the 4th Geo. III. Chap. 15. Sect. 12), all the duties, except 3*l.* 10*s.* were allowed to be drawn back, upon the exportation to the colonies of all wines, except French wines, to the commerce and conſumption of which, national prejudice would allow no ſort of encouragement. The period between the granting of this indulgence and the revolt of our North American colonies was probably too ſhort to admit of any conſiderable change in the cuſtoms of thoſe countries.

The ſame act, which, in the drawback upon all wines, except French wines, thus favoured the colonies ſo much more than other countries; in thoſe, upon the greater part of other commodities, favoured them much leſs. Upon the exportation of the greater part of commodities to other countries, half the old ſubſidy was drawn back. But this law enacted, that no part of that duty ſhould be drawn back upon the exportation to the colonies of any commodities, of the growth or manufacture either of Europe or the Eaſt Indies, except wines, white callicoes and muſlins.

VOL. II. *p.* 93. *line* ult. *after the words* in conſequence of it, *add*,

IT has happened in France, as well as in England, though in France there was, not only no bounty, but, till 1764, the exportation of corn was ſubjected to a general prohibition. This gradual fall in the average price of grain, it is probable, therefore, is ultimately owing neither to the one regulation nor to the other, but to that gradual and inſenſible riſe in the real value of ſilver, which, in the firſt book of this diſcourſe, I have endeavoured to ſhow has taken place in the general market of Europe, during the courſe of the preſent century. It ſeems to be altogether impoſſible that the bounty could ever contribute to lower the price of grain.

VOL. II. *p.* 94. *line* 14. dele *what follows after the words* any reaſonable perſon, *to the words* affected by the bounty, *line* 27. *and inſert as follows:*

BUT it has been thought by many people that it tends to encourage tillage, and that in two different ways; firſt, by opening a more extenſive foreign market to the corn of the farmer, it tends, they imagine, to increaſe the demand for, and conſequently the production of, that commodity; and, ſecondly, by ſecuring to him a better price than he could otherwiſe expect in the actual ſtate of tillage, it tends, they ſuppoſe, to encourage tillage. This double encouragement muſt, they imagine, in a long period of years, occaſion ſuch an increaſe in the production of corn, as may lower its price in the home market, much more than the bounty can raiſe it, in the actual ſtate which tillage may, at the end of that period, happen to be in.

I ANSWER, that whatever extenſion of the foreign market can be occaſioned by the bounty, muſt, in every particular year, be altogether at the expence of the home market; as every buſhel of corn which is exported by means of the bounty, and which would

not have been exported without the bounty, would have remained in the home market to increaſe the conſumption, and to lower the price of that commodity. The corn bounty, it is to be obſerved, as well as every other bounty upon exportation, impoſes two different taxes upon the people; firſt, the tax which they are obliged to contribute, in order to pay the bounty; and ſecondly, the tax which ariſes from the advanced price of the commodity in the home-market, and which, as the whole body of the people are purchaſers of corn, muſt, in this particular commodity, be paid by the whole body of the people. In this particular commodity, therefore, this ſecond tax is by much the heavieſt of the two. Let us ſuppoſe that, taking one year with another, the bounty of five ſhillings upon the exportation of the quarter of wheat, raiſes the price of that commodity in the home-market, only ſixpence the buſhel, or four ſhillings the quarter, higher than it otherwiſe would have been in the actual ſtate of the crop. Even upon this very moderate ſuppoſition, the great body of the people, over and above contributing the tax which pays the bounty of five ſhillings upon every quarter of wheat exported, muſt pay another of four ſhillings upon every quarter which they themſelves conſume. But, according to the very well informed author of the tracts upon the corn trade, the average proportion of the corn exported to that conſumed at home, is not more than that of one to thirty-one. For every five ſhillings, therefore, which they contribute to the payment of the firſt tax, they muſt contribute ſix pounds four ſhillings to the payment of the ſecond. So very heavy a tax upon the firſt neceſſary of life, muſt either reduce the ſubſiſtence of the labouring poor, or it muſt occaſion ſome augmentation in their pecuniary wages, proportionable to that in the pecuniary price of their ſubſiſtence. So far as it operates in the one way, it muſt reduce the ability of the labouring poor to educate and bring up their children, and muſt, ſo far, tend to reſtrain the population of the country. So far as it

operates in the other, it muſt reduce the ability of the employers of the poor, to employ ſo great a number as they otherwiſe might do, and muſt, ſo far, tend to reſtrain the induſtry of the country. The extraordinary exportation of corn, therefore, occaſioned by the bounty, not only, in every particular year, diminiſhes the home, juſt as much as it extends the foreign market and conſumption, but, by reſtraining the population and induſtry of the country, its final tendency is to ſtunt and reſtrain the gradual extenſion of the home-market; and thereby, in the long-run, rather to diminiſh, than to augment, the whole market and conſumption of corn.

THIS enhancement of the money-price of corn, however, it has been thought, by rendering that commodity more profitable to the farmer, muſt neceſſarily encourage its production.

I ANSWER, that this might be the caſe if the effect of the bounty was to raiſe the real price of corn, or to enable the farmer, with an equal quantity of it, to maintain a greater number of labourers in the ſame manner, whether liberal, moderate, or ſcanty, that other labourers are commonly maintained in his neighbourhood. But neither the bounty, it is evident, nor any other human inſtitution, can have any ſuch effect. It is not the real, but the nominal price of corn, which can in any conſiderable degree be affected by the bounty. And though the tax which that inſtitution impoſes upon the whole body of the people, may be very burdenſome to thoſe who pay it, it is of very little advantage to thoſe who receive it.

VOL. II. *p.* 96. *line* 4. *after the words* able to live better, *add*,

IN the purchaſe of foreign commodities this enhancement in the price of corn may give them ſome little advantage. In that of home-made commodities it can give them none at all. And almoſt the whole expence of the farmer, and the far greater part of even that of the landlord, is in home-made commodities.

VOL. II. *p.* 103. *line* 13. dele, *from the words* orders of people, *to the words* The prejudices, *&c. line* 24. *and inſert as follows :*

THEY loaded the publick revenue with a very conſiderable expence; they impoſed a very heavy tax upon the whole body of the people; but they did not, in any ſenſible degree, increaſe the real value of their own commodity; and by lowering ſomewhat the real value of ſilver, they diſcouraged, in ſome degree, the general induſtry of the country, and, inſtead of advancing, retarded more or leſs the improvement of their own lands, which neceſſarily depends upon the general induſtry of the country.

To encourage the production of any commodity, a bounty upon production, one ſhould imagine, would have a more direct operation, than one upon exportation. It would, beſides, impoſe only one tax upon the people, that which they muſt contribute in order to pay the bounty. Inſtead of raiſing, it would tend to lower the price of the commodity in the home market; and thereby, inſtead of impoſing a ſecond tax upon the people, it might, at leaſt, in part, repay them for what they had contributed to the firſt. Bounties upon production, however, have been very rarely granted.

VOL. II. *p.* 104. *line* 18. *inſtead of the paragraph beginning with* Something like a bounty upon production, *&c. inſert what follows :*

SOMETHING like a bounty upon production, however, has been granted upon ſome particular occaſions. The tonnage bounties given to the white-herring and whale-fiſheries may, perhaps, be conſidered as ſomewhat of this nature. They tend directly, it may be ſuppoſed, to render the goods cheaper in the home market than they otherwiſe would be. In other reſpects their effects, it muſt be acknowledged, are the ſame as thoſe of bounties upon exportation. By means

means of them a part of the capital of the country is employed in bringing goods to market, of which the price does not repay the coſt, together with the ordinary profits of ſtock.

BUT though the tonnage bounties to thoſe fiſheries do not contribute to the opulence of the nation, it may perhaps be thought, that they contribute to its defence, by augmenting the number of its ſailors and ſhipping. This, it may be alleged, may ſometimes be done by means of ſuch bounties at a much ſmaller expence, than by keeping up a great ſtanding navy, if I may uſe ſuch an expreſſion, in the ſame way as a ſtanding army.

NOTWITHSTANDING theſe favourable allegations, however, the following conſiderations diſpoſe me to believe, that in granting at leaſt one of theſe bounties, the legiſlature has been very groſsly impoſed upon.

FIRST, the herring buſs bounty ſeems too large.

FROM the commencement of the winter fiſhing 1771 to the end of the winter fiſhing 1781, the tonnage bounty upon the herring buſs fiſhery has been at thirty ſhillings the ton. During theſe eleven years the whole number of barrels caught by the herring buſs fiſhery of Scotland amounted to 378,347. The herrings caught and cured at ſea, are called ſeaſteeks. In order to render them what are called merchantable herrings, it is neceſſary to repack them with an additional quantity of ſalt; and in this caſe, it is reckoned, that three barrels of ſeaſteeks, are uſually repacked into two barrels of merchantable herrings. The number of barrels of merchantable herrings, therefore, caught during theſe eleven years, will amount only, according to this account, to 252,231$\frac{1}{3}$. During theſe eleven years the tonnage bounties paid amounted to 155,463*l.* 11*s.* or to 8*s.* 2$\frac{1}{4}$*d.* upon every barrel of ſeaſteeks, and to 12*s.* 3$\frac{3}{4}$*d.* upon every barrel of merchantable herrings.

THE ſalt with which theſe herrings are cured, is ſometimes Scotch, and ſometimes foreign ſalt; both which are delivered free of

of all exciſe duty to the fiſh-curers. The exciſe duty upon Scotch ſalt is at preſent 1*s.* 6*d.* that upon foreign ſalt 10*s.* the buſhel. A barrel of herrings is ſuppoſed to require about one buſhel and one-fourth of a buſhel foreign ſalt. Two buſhels are the ſuppoſed average of Scotch ſalt. If the herrings are entered for exportation, no part of this duty is paid up; if entered for home conſumption, whether the herrings were cured with foreign or with Scotch ſalt, only one ſhilling the barrel is paid up. It was the old Scotch duty upon a buſhel of ſalt, the quantity which, at a low eſtimation, had been ſuppoſed neceſſary for curing a barrel of herrings. In Scotland, foreign ſalt is very little uſed for any other purpoſe but the curing of fiſh. But from the 5th April 1771, to the 5th April 1782, the quantity of foreign ſalt imported amounted to 936,974 buſhels, at eighty-four pounds the buſhel: the quantity of Scotch ſalt, delivered from the works to the fiſh-curers, to no more than 168,226, at fifty-ſix pounds the buſhel only. It would appear, therefore, that it is principally foreign ſalt that is uſed in the fiſheries. Upon every barrel of herrings exported there is, beſides, a bounty of 2*s.* 8*d.* and more than two-thirds of the buſs caught herrings are exported. Put all theſe things together and you will find, that, during theſe eleven years, every barrel of buſs caught herrings, cured with Scotch ſalt, when exported, has coſt government 17*s.* 11$\frac{3}{4}$*d.*; and when entered for home conſumption 14*s.* 3$\frac{3}{4}$*d.*: and that every barrel cured with foreign ſalt, when exported, has coſt government 1*l.* 7*s.* 5$\frac{3}{4}$*d.*; and when entered for home conſumption 1*l.* 3*s.* 9$\frac{3}{4}$*d.* The price of a barrel of good merchantable herrings runs from ſeventeen and eighteen to four and five and twenty ſhillings; about a guinea at an average.

THE two following accounts are ſubjoined, in order to illuſtrate and confirm what is ſaid above concerning the tonnage bounty to the white herring fiſhery. The Reader, I believe, may depend upon the accuracy of both accounts.

An

ADDITIONS, &c. TO DR. SMITH's INQUIRY

An Account of Buſſes fitted out in Scotland for Eleven Years, with the Number of empty Barrels carried out, and the Number of Barrels of Herrings caught; alſo the Bounty at a Medium on each Barrel of Seaſteeks, and on each Barrel when fully packed.

Years.	Number of Buſſes.	Empty Barrels carried out.	Barrels of Herrings caught.	Bounty paid on the Buſſes.
				£. s. d.
1771	29	5948	2832	2085 0 0
1772	168	41316	22237	11055 7 6
1773	190	42333	42055	12510 8 6
1774	248	59303	56365	16952 2 6
1775	275	69144	52879	19315 15 0
1776	294	76329	51863	21290 7 6
1777	240	62679	43313	17592 2 6
1778	220	56390	40958	16316 2 6
1779	206	55194	29367	15287 0 0
1780	181	48315	19885	13445 12 6
1781	135	33992	16593	9613 12 6
Total,	2186	550943	378347	155463 11 0

Seaſteeks 378347

$\frac{1}{3}$ deducted $126115\frac{2}{3}$

Barrels full packed, $252231\frac{1}{3}$

Bounty at a medium for each barrel of ſeaſteeks - - £0 8 $2\frac{1}{4}$

But a barrel of ſeaſteeks being only reckoned two-thirds of a barrel fully packed, one-third is deducted, which brings the bounty to - £0 12 $3\frac{3}{4}$

And if the herrings are exported, there is beſides a premium of - - - - - - £0 2 8

£0 14 $11\frac{3}{4}$

So

So that the bounty paid by government in money for each barrel, is - - - - -	£ 0 14 11¾
But if to this, the duty of the ſalt uſually taken credit for as expended in curing each barrel, which at a medium is of foreign, one buſhel and one-fourth of a buſhel, at 10*s.* a buſhel, be added, viz. -	0 12 6
The bounty on each barrel would amount to -	£ 1 7 5¾

If the herrings are cured with Britiſh ſalt, it would ſtand thus, viz.

Bounty as before - - - - -	£ 0 14 11¾
—but if to this bounty the duty on two buſhels of Scots ſalt at 1*s.* 6*d.* per buſhel, ſuppoſed to be the quantity at a medium uſed in curing each barrel is added, to wit, - - - - - -	£ 0 3 0
The bounty on each barrel will amount to -	£ 0 17 11¾

And,

When buſs herrings are entered for home conſumption in Scotland, and pay the ſhilling a barrel of duty, the bounty ſtands thus, to wit,

as before - - - - - -	£ 0 12 3¾
From which the 1*s.* a barrel is to be deducted -	0 1 0
	0 11 3¾
But to that there is to be added again, the duty of the foreign ſalt uſed in curing a barrel of herrings, viz.	0 12 6
So that the premium allowed for each barrel of herrings entered for home conſumption is -	£ 1 3 9¾

If the herrings are cured with Britiſh ſalt, it will ſtand as follows, viz.

Bounty on each barrel brought in by the buſſes as above - - - - - - -	£	0 12	3¾
From which deduct the 1 *s.* a barrel paid at the time they are entered for home conſumption -		0 1	0
	£	0 11	3¾
But if to the bounty the duty on two buſhels of Scots ſalt at 1 *s.* 6 *d.* per buſhel, ſuppoſed to be the quantity at a medium uſed in curing each barrel, is added, to wit, - - - - - -		0 3	0
The premium for each barrel entered for home conſumption will be - - - - -	£	0 14	3¾

THOUGH the loſs of duties upon herrings exported cannot, perhaps, properly be conſidered as bounty; that upon herrings entered for home conſumption certainly may.

An Account of the Quantity of Foreign Salt imported into Scotland, and of Scots Salt delivered Duty free from the Works there for the Fiſhery, from the 5th of April 1771 *to the 5th of April* 1782, *with a Medium of both for one Year.*

PERIOD.	Foreign Salt imported.	Scots Salt delivered from the Works.
	Buſhels.	Buſhels.
From the 5th of April 1771, to the 5th of April 1782. - -	936974	168226
Medium for one Year - -	85179 5/11	15293 3/11

It is to be obſerved that the buſhel of foreign ſalt weighs 84 lb. that of Britiſh ſalt 56 lb. only.

SECONDLY,

SECONDLY, the bounty to the white herring fiſhery is a tonnage bounty; and is proportioned to the burden of the ſhip, not to her diligence or ſucceſs in the fiſhery; and it has, I am afraid, been too common for veſſels to fit out for the ſole purpoſe of catching, not the fiſh, but the bounty. In the year 1759, when the bounty was at fifty ſhillings the ton, the whole buſs fiſhery of Scotland brought in only four barrels of ſeaſteeks. In that year each barrel of ſeaſteeks coſt government in bounties alone 113*l.* 15*s.*; each barrel of merchantable herrings 159*l.* 7*s.* 6*d.*

THIRDLY, the mode of fiſhing for which this tonnage bounty in the white herring fiſhery has been given (by buſſes or decked veſſels from twenty to eighty tons burden), ſeems not ſo well adapted to the ſituation of Scotland as to that of Holland; from the practice of which country it appears to have been borrowed. Holland lies at a great diſtance from the ſeas to which herrings are known principally to reſort; and can, therefore, carry on that fiſhery only in decked veſſels, which can carry water and proviſions ſufficient for a voyage to a diſtant ſea. But the Hebrides or weſtern iſlands, the iſlands of Shetland, and the northern and north-weſtern coaſts of Scotland, the countries in whoſe neighbourhood the herring fiſhery is principally carried on, are every where interſected by arms of the ſea which run up a conſiderable way into the land, and which, in the language of the country, are called ſea-lochs. It is to theſe ſea-lochs that the herrings principally reſort, during the ſeaſons in which they viſit thoſe ſeas; for the viſits of this, and, I am aſſured, of many other ſorts of fiſh, are not quite regular and conſtant. A boat fiſhery, therefore, ſeems to be the mode of fiſhing beſt adapted to the peculiar ſituation of Scotland; the fiſhers carrying the herrings on ſhore, as faſt as they are taken, to be either cured or conſumed freſh. But the great encouragement, which a bounty of thirty ſhillings the ton gives to the buſs fiſhery, is neceſſarily a diſcouragement to the boat fiſhery; which, having no ſuch bounty, cannot

bring its cured fiſh to market upon the ſame terms as the buſs fiſhery. The boat-fiſhery, accordingly, which, before the eſtabliſhment of the buſs bounty, was very conſiderable, and is ſaid to have employed a number of ſeamen, not inferior to what the buſs fiſhery employs at preſent, is now gone almoſt entirely to decay. Of the former extent, however, of this now ruined and abandoned fiſhery, I muſt acknowledge, that I cannot pretend to ſpeak with much preciſion. As no bounty was paid upon the outfit of the boat-fiſhery, no account was taken of it by the officers of the cuſtoms or ſalt duties.

FOURTHLY, in many parts of Scotland, during certain ſeaſons of the year, herrings make no inconſiderable part of the food of the common people. A bounty, which tended to lower their price in the home market, might contribute a good deal to the relief of a great number of our fellow-ſubjects, whoſe circumſtances are by no means affluent. But the herring buſs bounty contributes to no ſuch good purpoſe. It has ruined the boat fiſhery, which is, by far, the beſt adapted for the ſupply of the home market, and the additional bounty of 2 *s.* 8 *d.* the barrel upon exportation, carries the greater part, more than two-thirds, of the produce of the buſs fiſhery abroad. Between thirty and forty years ago, before the eſtabliſhment of the buſs bounty, ſixteen ſhillings the barrel, I have been aſſured, was the common price of white herrings. Between ten and fifteen years ago, before the boat fiſhery was entirely ruined, the price is ſaid to have run from ſeventeen to twenty ſhillings the barrel. For theſe laſt five years, it has, at an average, been at twenty-five ſhillings the barrel. This high price, however, may have been owing to the real ſcarcity of the herrings upon the coaſt of Scotland. I muſt obſerve too, that the caſk or barrel, which is uſually ſold with the herrings, and of which the price is included in all the foregoing prices, has, ſince the commencement of the American war, riſen to about double its former price, or from about three ſhillings,

lings, to about ſix ſhillings. I muſt likewiſe obſerve, that the accounts I have received of the prices of former times, have been by no means quite uniform and conſiſtent; and an old man of great accuracy and experience has aſſured me, that more than fifty years ago, a guinea was the uſual price of a barrel of good merchantable herrings; and this, I imagine, may ſtill be looked upon as the average price. All accounts, however, I think, agree, that the price has not been lowered in the home market, in conſequence of the buſs bounty.

When the undertakers of fiſheries, after ſuch liberal bounties have been beſtowed upon them, continue to ſell their commodity at the ſame, or even at a higher price than they were accuſtomed to do before, it might be expected that their profits ſhould be very great; and it is not improbable that thoſe of ſome individuals may have been ſo. In general, however, I have every reaſon to believe, they have been quite otherwiſe. The uſual effect of ſuch bounties is to encourage raſh undertakers to adventure in a buſineſs, which they do not underſtand, and what they loſe by their own negligence and ignorance, more than compenſates all that they can gain by the utmoſt liberality of government. In 1750, by the ſame act, which firſt gave the bounty of thirty ſhillings the ton for the encouragement of the white herring fiſhery (the 23 Geo. II. chap. 24.), a joint ſtock company was erected, with a capital of five hundred thouſand pounds, to which the ſubſcribers (over and above all other encouragements, the tonnage bounty juſt now mentioned, the exportation bounty of two ſhillings and eight pence the barrel, the delivery of both Britiſh and foreign ſalt duty free) were, during the ſpace of fourteen years, for every hundred pounds which they ſubſcribed and paid in to the ſtock of the ſociety, entitled to three pounds a year, to be paid by the receiver-general of the cuſtoms in equal half-yearly payments. Beſides this great company, the reſidence of whoſe governor and directors was to be in London, it was declared

declared lawful to erect different fiſhing-chambers, in all the different out-ports of the kingdom, provided a ſum not leſs than ten thouſand pounds was ſubſcribed into the capital of each, to be managed at its own riſk, and for its own profit and loſs. The ſame annuity, and the ſame encouragement of all kinds, were given to the trade of thoſe inferior chambers, as to that of the great company. The ſubſcription of the great company was ſoon filled up, and ſeveral different fiſhing-chambers were erected in the different out-ports of the kingdom. In ſpite of all theſe encouragements, almoſt all thoſe different companies, both great and ſmall, loſt either the whole, or the greater part of their capitals; ſcarce a veſtige now remains of any of them, and the white herring fiſhery is now entirely, or almoſt entirely, carried on by private adventurers.

IF any particular manufacture was neceſſary, indeed, for the defence of the ſociety, it might not always be prudent to depend upon our neighbours for the ſupply; and if ſuch manufacture could not otherwiſe be ſupported at home, it might not be unreaſonable that all the other branches of induſtry ſhould be taxed in order to ſupport it. The bounties upon the exportation of Britiſh-made ſail-cloth, and Britiſh-made gun-powder, may, perhaps, both be vindicated upon this principle.

BUT though it can very ſeldom be reaſonable to tax the induſtry of the great body of the people, in order to ſupport that of ſome particular claſs of manufacturers; yet in the wantonneſs of great proſperity, when the publick enjoys a greater revenue than it knows well what to do with, to give ſuch bounties to favourite manufactures, may, perhaps, be as natural, as to incur any other idle expence. In publick, as well as in private expences, great wealth may, perhaps, frequently be admitted as an apology for great folly. But there muſt ſurely be ſomething more than ordinary abſurdity, in continuing ſuch profuſion in times of general difficulty and diſtreſs.

VOL. II. *p.* 258. *line* ult. *after the words* under their government, *inſert the following Chapter:*

CHAP. VIII.

Concluſion of the Mercantile Syſtem.

THOUGH the encouragement of exportation, and the diſcouragement of importation, are the two great engines by which the mercantile ſyſtem propoſes to enrich every country, yet, with regard to ſome particular commodities, it ſeems to follow an oppoſite plan: to diſcourage exportation, and to encourage importation. Its ultimate object, however, it pretends, is always the ſame, to enrich the country by an advantageous balance of trade. It diſcourages the exportation of the materials of manufacture, and of the inſtruments of trade, in order to give our own workmen an advantage, and to enable them to underſell thoſe of other nations in all foreign markets: and by reſtraining, in this manner, the exportation of a few commodities, of no great price, it propoſes to occaſion a much greater and more valuable exportation of others. It encourages the importation of the materials of manufacture, in order that our own people may be enabled to work them up more cheaply, and thereby prevent a greater and more valuable importation of the manufactured commodities. I do not obſerve, at leaſt in our Statute Book, any encouragement given to the importation of the inſtruments of trade. When manufactures have advanced to a certain pitch of greatneſs, the fabrication of the inſtruments of trade becomes itſelf the object of a great number of very important manufactures. To give any particular encouragement to the importation of ſuch inſtruments, would interfere too much with the intereſt of thoſe manufactures. Such importation, therefore, inſtead of being encouraged, has frequently been prohibited. Thus the importation

of

of wool cards, except from Ireland, or when brought in as wreck or prize goods, was prohibited by the 3d of Edward IV.; which prohibition was renewed by the 39th of Elizabeth, and has been continued and rendered perpetual by ſubſequent laws.

THE importation of the materials of manufacture has ſometimes been encouraged by an exemption from the duties to which other goods are ſubject, and ſometimes by bounties.

THE importation of ſheep's wool from ſeveral different countries, of cotton wool from all countries, of undreſſed flax, of the greater part of dying drugs, of the greater part of undreſſed hides from Ireland or the Britiſh colonies, of ſeal ſkins from the Britiſh Greenland fiſhery, of pig and bar iron from the Britiſh colonies, as well as of ſeveral other materials of manufacture, has been encouraged by an exemption from all duties, if properly entered at the cuſtom-houſe. The private intereſt of our merchants and manufacturers may, perhaps, have extorted from the legiſlature theſe exemptions, as well as the greater part of our other commercial regulations. They are, however, perfectly juſt and reaſonable, and if, conſiſtently with the neceſſities of the ſtate, they could be extended to all the other materials of manufacture, the publick would certainly be a gainer.

THE avidity of our great manufacturers, however, has in ſome caſes extended theſe exemptions a good deal beyond what can juſtly be conſidered as the rude materials of their work. By the 24 Geo. II. chap. 46. a ſmall duty of only one penny the pound was impoſed upon the importation of foreign brown linen yarn, inſtead of much higher duties to which it had been ſubjected before, viz. of ſixpence the pound upon ſail yarn, of one ſhilling the pound upon all French and Dutch yarn, and of two pounds thirteen ſhillings and four pence upon the hundred weight of all ſpruce or Muſcovia yarn. But our manufacturers were not long ſatisfied with this reduction. By the 29th of the ſame king, chap. 15. the ſame law which gave a bounty upon the exportation of Britiſh and Iriſh linen of which the price

did

did not exceed eighteen pence the yard, even this ſmall duty upon the importation of brown linen yarn was taken away. In the different operations, however, which are neceſſary for the preparation of linen yarn, a good deal more induſtry is employed, than in the ſubſequent operation of preparing linen cloth from linen yarn. To ſay nothing of the induſtry of the flax-growers and flax-dreſſers, three or four ſpinners, at leaſt, are neceſſary, in order to keep one weaver in conſtant employment; and more than four-fifths of the whole quantity of labour, neceſſary for the preparation of linen cloth, is employed in that of linen yarn; but our ſpinners are poor people, women commonly, ſcattered about in all different parts of the country, without ſupport or protection. It is not by the ſale of their work, but by that of the complete work of the weavers, that our great maſter manufacturers make their profits. As it is their intereſt to ſell the complete manufacture as dear, ſo is it to buy the materials as cheap, as poſſible. By extorting from the legiſlature, bounties upon the exportation of their own linen, high duties upon the importation of all foreign linen, and a total prohibition of the home conſumption of ſome ſorts of French linen, they endeavour to ſell their own goods as dear as poſſible. By encouraging the importation of foreign linen yarn, and thereby bringing it into competition with that which is made by our own people, they endeavour to buy the work of the poor ſpinners as cheap as poſſible. They are as intent to keep down the wages of their own weavers, as the earnings of the poor ſpinners; and it is by no means for the benefit of the workman, that they endeavour either to raiſe the price of the compleat work, or to lower that of the rude materials. It is the induſtry which is carried on for the benefit of the rich and the powerful, that is principally encouraged by our mercantile ſyſtem. That which is carried on for the benefit of the poor and the indigent, is, too often, either neglected, or oppreſſed.

BOTH the bounty upon the exportation of linen, and the exemption from duty upon the importation of foreign yarn, which were granted only for fifteen years, but continued by two different prolongations, expire with the end of the ſeſſion of parliament which ſhall immediately follow the 24th of June 1786.

THE encouragement given to the importation of the materials of manufacture by bounties, has been principally confined to ſuch as were imported from our American plantations.

THE firſt bounties of this kind were thoſe granted, about the beginning of the preſent century, upon the importation of naval ſtores from America. Under this denomination were comprehended timber fit for maſts, yards, and bowſprits; hemp; tar, pitch, and turpentine. The bounty, however, of one pound the ton upon maſting-timber, and that of ſix pounds the ton upon hemp, were extended to ſuch as ſhould be imported into England from Scotland. Both theſe bounties continued, without any variation, at the ſame rate, till they were ſeverally allowed to expire; that upon hemp on the 1ſt of January 1741, and that upon maſting-timber at the end of the ſeſſion of parliament immediately following the 24th June 1781.

THE bounties upon the importation of tar, pitch, and turpentine underwent, during their continuance, ſeveral alterations. Originally that upon tar was four pounds the ton; that upon pitch, the ſame; and that upon turpentine, three pounds the ton. The bounty of four pounds the ton upon tar was afterwards confined to ſuch as had been prepared in a particular manner; that upon other good, clean, and merchantable tar was reduced to two pounds four ſhillings the ton. The bounty upon pitch was likewiſe reduced to one pound; and that upon turpentine to one pound ten ſhillings the ton.

THE ſecond bounty upon the importation of any of the materials of manufacture, according to the order of time, was that granted by

the 21 Geo. II. chap. 30. upon the importation of indigo from the Britiſh plantations. When the plantation indigo was worth three-fourths of the price of the beſt French indigo, it was by this act entitled to a bounty of ſixpence the pound. This bounty, which, like moſt others, was granted only for a limited time, was continued by ſeveral prolongations, but was reduced to four pence the pound. It was allowed to expire with the end of the ſeſſion of parliament which followed the 25th March 1781.

THE third bounty of this kind was that granted (much about the time that we were beginning ſometimes to court and ſometimes to quarrel with our American colonies) by the 4 Geo. III. chap. 26. upon the importation of hemp, or undreſſed flax from the Britiſh plantations. This bounty was granted for twenty-one years, from the 24th June 1764, to the 24th June 1785. For the firſt ſeven years it was to be at the rate of eight pounds the ton, for the ſecond at ſix pounds, and for the third at four pounds. It was not extended to Scotland, of which the climate (although hemp is ſometimes raiſed there in ſmall quantities, and of an inferior quality) is not very fit for that produce. Such a bounty upon the importation of Scotch flax into England would have been too great a diſcouragement to the native produce of the ſouthern part of the united kingdom.

THE fourth bounty of this kind was that granted by the 5 Geo. III. chap. 45. upon the importation of wood from America. It was granted for nine years, from the 1ſt January 1766, to the 1ſt January 1775. During the firſt three years, it was to be for every hundred and twenty good deals, at the rate of one pound; and for every load containing fifty cubic feet of other ſquared timber, at the rate of twelve ſhillings. For the ſecond three years, it was for deals to be at the rate of fifteen ſhillings, and for other ſquared timber, at the rate of eight ſhillings; and for the third three years, it was for deals,

to be at the rate of ten ſhillings, and for other ſquared timber, at the rate of five ſhillings.

THE fifth bounty of this kind was that granted by the 9 Geo. III. chap. 38. upon the importation of raw ſilk from the Britiſh plantations. It was granted for twenty-one years, from the 1ſt January 1770, to the 1ſt January 1791. For the firſt ſeven years it was to be at the rate of twenty-five pounds for every hundred pounds value; for the ſecond, at twenty pounds; and for the third, at fifteen pounds. The management of the ſilk-worm, and the preparation of ſilk, requires ſo much hand labour; and labour is ſo very dear in America, that even this great bounty, I have been informed, was not likely to produce any conſiderable effect.

THE ſixth bounty of this kind was that granted by 11 Geo. III. chap. 50. for the importation of pipe, hogſhead, and barrel ſtaves and heading from the Britiſh plantations. It was granted for nine years, from 1ſt January 1772, to the 1ſt January 1781. For the firſt three years, it was for a certain quantity of each, to be at the rate of ſix pounds; for the ſecond three years, at four pounds; and for the third three years, at two pounds.

THE ſeventh, and laſt bounty of this kind was granted by the 19 Geo. III. chap. 37. upon the importation of hemp from Ireland. It was granted in the ſame manner as that for the importation of hemp and undreſſed flax from America, for twenty-one years, from the 24th June 1779, to the 24th June 1800. This term is divided, likewiſe, into three periods of ſeven years each; and in each of thoſe periods, the rate of the Iriſh bounty is the ſame with that of the American. It does not, however, like the American bounty, extend to the importation of undreſſed flax. It would have been too great a diſcouragement to the cultivation of that plant in Great Britain. When this laſt bounty was granted, the Britiſh and Iriſh legiſlatures were not in much better humour with one another than

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the Britiſh and American had been before. But this boon to Ireland, it is to be hoped, has been granted under more fortunate auſpices, than all thoſe to America.

THE ſame commodities upon which we thus gave bounties, when imported from America, were ſubjected to conſiderable duties when imported from any other country. The intereſt of our American colonies was regarded as the ſame with that of the mother country. Their wealth was conſidered as our wealth. Whatever money was ſent out to them, it was ſaid, came all back to us by the balance of trade, and we could never become a farthing the poorer, by any expence which we could lay out upon them. They were our own in every reſpect, and it was an expence laid out upon the improvement of our own property, and for the profitable employment of our own people. It is unneceſſary, I apprehend, at preſent to ſay any thing further, in order to expoſe the folly of a ſyſtem, which fatal experience has now ſufficiently expoſed. Had our American colonies really been a part of Great Britain, thoſe bounties might have been conſidered as bounties upon production, and would ſtill have been liable to all the objections to which ſuch bounties are liable, but to no other.

THE exportation of the materials of manufacture is ſometimes diſcouraged by abſolute prohibitions, and ſometimes by high duties.

OUR woollen manufacturers have been more ſucceſsful than any other claſs of workmen, in perſuading the legiſlature, that the proſperity of the nation depended upon the ſucceſs and extenſion of their particular buſineſs. They have not only obtained a monopoly againſt the conſumers by an abſolute prohibition of importing woollen cloths from any foreign country; but they have likewiſe obtained another monopoly againſt the ſheep farmers and growers of wool, by a ſimilar prohibition of the exportation of live ſheep and wool. The ſeverity of many of the laws which have been enacted for the ſecurity of the revenue is very juſtly complained of, as impoſing heavy

heavy penalties upon actions which, antecedent to the ſtatutes that declared them to be crimes, had always been underſtood to be innocent. But the cruelleſt of our revenue laws, I will venture to affirm, are mild and gentle, in compariſon of ſome of thoſe which the clamour of our merchants and manufacturers has extorted from the legiſlature, for the ſupport of their own abſurd and oppreſſive monopolies. Like the laws of Draco, theſe laws may be ſaid to be all written in blood.

By the 8th of Elizabeth, chap. 3. the exporter of ſheep, lambs or rams, was for the firſt offence to forfeit all his goods for ever, to ſuffer a year's impriſonment, and then to have his left hand cut off in a market town upon a market day, to be there nailed up; and for the ſecond offence to be adjudged a felon, and to ſuffer death accordingly. To prevent the breed of our ſheep from being propagated in foreign countries, ſeems to have been the object of this law. By the 13th and 14th of Charles II. chap. 18. the exportation of wool was made felony, and the exporter ſubjected to the ſame penalties and forfeitures as a felon.

For the honour of the national humanity, it is to be hoped that neither of theſe ſtatutes were ever executed. The firſt of them, however, ſo far as I know, has never been directly repealed, and Serjeant Hawkins ſeems to conſider it as ſtill in force. It may, however, perhaps, be conſidered as virtually repealed by the 12th of Charles II. chap. 32. ſect. 3. which, without expreſsly taking away the penalties impoſed by former ſtatutes, impoſes a new penalty, viz. That of twenty ſhillings for every ſheep exported, or attempted to be exported, together with the forfeiture of the ſheep and of the owner's ſhare of the ſhip. The ſecond of them was expreſsly repealed by the 7th and 8th of William III. chap. 28. ſect. 4. By which it is declared that, "Whereas the ſtatute of the 13th and 14th "of king Charles II. made againſt the exportation of wool, among "other things in the ſaid act mentioned, doth enact the ſame to be

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" deemed felony; by the ſeverity of which penalty the proſecution " of offenders hath not been ſo effectually put in execution: Be it, " therefore, enacted by the authority foreſaid, that ſo much of the " ſaid act, which relates to the making the ſaid offence felony, be " repealed and made void."

THE penalties, however, which are either impoſed by this milder ſtatute, or which, though impoſed by former ſtatutes, are not repealed by this one, are ſtill ſufficiently ſevere. Beſides the forfeiture of the goods, the exporter incurs the penalty of three ſhillings for every pound weight of wool either exported or attempted to be exported, that is about four or five times the value. Any merchant or other perſon convicted of this offence is diſabled from requiring any debt or account belonging to him from any factor or other perſon. Let his fortune be what it will, whether he is, or is not able to pay thoſe heavy penalties, the law means to ruin him completely. But as the morals of the great body of the people are not yet ſo corrupt as thoſe of the contrivers of this ſtatute, I have not heard that any advantage has ever been taken of this clauſe. If the perſon convicted of this offence is not able to pay the penalties within three months after judgment, he is to be tranſported for ſeven years; and if he returns before the expiration of that term, he is liable to the pains of felony, without benefit of clergy. The owner of the ſhip knowing this offence forfeits all his intereſt in the ſhip and furniture. The maſter and mariners knowing this offence forfeit all their goods and chattels, and ſuffer three months impriſonment. By a ſubſequent ſtatute the maſter ſuffers ſix months impriſonment.

IN order to prevent exportation, the whole inland commerce of wool is laid under very burdenſome and oppreſſive reſtrictions. It cannot be packed in any box, barrel, caſk, caſe, cheſt, or any other package, but only in packs of leather or pack-cloth, on which muſt be marked on the outſide the words *wool* or *yarn*, in large letters not leſs than three inches long, on pain of forfeiting the ſame and the package, and

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three ſhillings for every pound weight, to be paid by the owner or packer. It cannot be loaden on any horſe or cart, or carried by land within five miles of the coaſt, but between ſun-riſing and ſun-ſetting, on pain of forfeiting the ſame, the horſes and carriages. The hundred next adjoining to the ſea coaſt, out of, or through which the wool is carried or exported, forfeits twenty pounds, if the wool is under the value of ten pounds; and if of greater value, then treble that value, together with treble coſts, to be ſued for within the year. The execution to be againſt any two of the inhabitants, whom the ſeſſions muſt reimburſe, by an aſſeſſment on the other inhabitants, as in the caſes of robbery. And if any perſon compounds with the hundred for leſs than this penalty, he is to be impriſoned for five years; and any other perſon may proſecute. Theſe regulations take place through the whole kingdom.

BUT in the particular counties of Kent and Suſſex the reſtrictions are ſtill more troubleſome. Every owner of wool within ten miles of the ſea-coaſt muſt give an account in writing, three days after ſhearing, to the next officer of the cuſtoms, of the number of his fleeces, and of the places where they are lodged. And before he removes any part of them he muſt give the like notice of the number and weight of the fleeces, and of the name and abode of the perſon to whom they are ſold, and of the place to which it is intended they ſhould be carried. No perſon within fifteen miles of the ſea, in the ſaid counties, can buy any wool, before he enters into bond to the king, that no part of the wool which he ſhall ſo buy, ſhall be ſold by him to any other perſon within fifteen miles of the ſea. If any wool is found carrying towards the ſea-ſide in the ſaid counties, unleſs it has been entered and ſecurity given as aforeſaid, it is forfeited, and the offender alſo forfeits three ſhillings for every pound weight. If any perſon lays any wool, not entered as aforeſaid, within fifteen miles of the ſea, it muſt be ſeized and forfeited; and if, after ſuch ſeizure, any perſon ſhall claim the ſame, he muſt give

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ſecurity to the Exchequer, that if he is caſt upon trial he ſhall pay treble coſts, beſides all other penalties.

When ſuch reſtrictions are impoſed upon the inland trade, the coaſting trade, we may believe, cannot be left very free. Every owner of wool who carrieth, or cauſeth to be carried, any wool to any port or place on the ſea-coaſt, in order to be from thence tranſported by ſea to any other place or port on the coaſt, muſt firſt cauſe an entry thereof to be made at the port from whence it is intended to be conveyed, containing the weight, marks, and number of the packages before he brings the ſame within five miles of that port; on pain of forfeiting the ſame, and alſo the horſes, carts, and other carriages; and alſo of ſuffering and forfeiting, as by the other laws in force againſt the exportation of wool. This law, however, (1 Will. III. chap. 32.) is ſo very indulgent as to declare, that "this "ſhall not hinder any perſon from carrying his wool home from "the place of ſhearing, though it be within five miles of the ſea, "provided that in ten days after ſhearing, and before he remove the "wool, he do under his hand certify to the next officer of the cuſ-"toms, the true number of fleeces, and where it is houſed; and "do not remove the ſame, without certifying to ſuch officer, under "his hand, his intention ſo to do, three days before." Bond muſt be given that the wool to be carried coaſt-ways is to be landed at the particular port for which it is entered outwards; and if any part of it is landed without the preſence of an officer, not only the forfeiture of the wool is incurred as in other goods, but the uſual additional penalty of three ſhillings for every pound weight is likewiſe incurred.

Our woollen manufacturers, in order to juſtify their demand of ſuch extraordinary reſtrictions and regulations, confidently aſſerted, that Engliſh wool was of a peculiar quality, ſuperior to that of any other country; that the wool of other countries could not, without ſome mixture of it, be wrought up into any tolerable manufacture;

that fine cloth could not be made without it; that England, therefore, if the exportation of it could be totally prevented, could monopolize to herſelf almoſt the whole woollen trade of the world; and thus, having no rivals, could ſell at what price ſhe pleaſed, and in a ſhort time acquire the moſt incredible degree of wealth by the moſt advantageous balance of trade. This doctrine, like moſt other doctrines which are confidently aſſerted by any conſiderable number of people, was, and ſtill continues to be, moſt implicitly believed by a much greater number; by almoſt all thoſe who are either unacquainted with the woollen trade, or who have not made particular inquiries. It is, however, ſo perfectly falſe, that Engliſh wool is in any reſpect neceſſary for the making of fine cloth, that it is altogether unfit for it. Fine cloth is made altogether of Spaniſh wool. Engliſh wool cannot be even ſo mixed with Spaniſh wool as to enter into the compoſition without ſpoiling and degrading, in ſome degree, the fabric of the cloth.

IT has been ſhown in the foregoing part of this work, that the effect of theſe regulations has been to depreſs the price of Engliſh wool, not only below what it naturally would be in the preſent times, but very much below what it actually was in the time of Edward III. The price of Scots wool, when in conſequence of the union it became ſubject to the ſame regulations, is ſaid to have fallen about one half. It is obſerved by the very accurate and intelligent author of the Memoirs of Wool, the Reverend Mr. John Smith, that the price of the beſt Engliſh wool in England is generally below what wool of a very inferior quality commonly ſells for in the market of Amſterdam. To depreſs the price of this commodity below what may be called its natural and proper price, was the avowed purpoſe of thoſe regulations; and there ſeems to be no doubt of their having produced the effect that was expected from them.

THIS reduction of price, it may perhaps be thought, by diſcouraging the growing of wool, muſt have reduced very much the annual

annual produce of that commodity, though not below what it formerly was, yet below what, in the preſent ſtate of things, it probably would have been, had it, in conſequence of an open and free market, been allowed to riſe to the natural and proper price. I am, however, diſpoſed to believe, that the quantity of the annual produce cannot have been much, though it may perhaps have been a little, affected by theſe regulations. The growing of wool is not the chief purpoſe for which the ſheep farmer employs his induſtry and ſtock. He expects his profit, not ſo much from the price of the the fleece, as from that of the carcaſe; and the average or ordinary price of the latter, muſt even, in many caſes, make up to him whatever deficiency there may be in the average or ordinary price of the former. It has been obſerved in the foregoing part of this work, that, " Whatever regulations tend to ſink the price, either of " wool or of raw hides, below what it naturally would be, muſt, in " an improved and cultivated country, have ſome tendency to raiſe " the price of butchers meat. The price both of the great and ſmall " cattle which are fed on improved and cultivated land, muſt be " ſufficient to pay the rent which the landlord, and the profit which " the farmer has reaſon to expect from improved and cultivated land. " If it is not, they will ſoon ceaſe to feed them. Whatever part of " this price, therefore, is not paid by the wool and the hide, muſt " be paid by the carcaſe. The leſs there is paid for the one, the " more muſt be paid for the other. In what manner this price is to " be divided upon the different parts of the beaſt, is indifferent to " the landlords and farmers, provided it is all paid to them. In " an improved and cultivated country, therefore, their intereſt as " landlords and farmers cannot be much affected by ſuch regula- " tions, though their intereſt as conſumers may, by the riſe in the " price of proviſions." According to this reaſoning, therefore, this degradation in the price of wool is not likely, in an improved and cultivated country, to occaſion any diminution in the annual produce

of that commodity; except ſo far as, by raiſing the price of mutton, it may ſomewhat diminiſh the demand for, and conſequently the production of, that particular ſpecies of butchers meat. Its effect, however, even in this way, it is probable, is not very conſiderable.

BUT though its effect upon the quantity of the annual produce may not have been very conſiderable, its effect upon the quality, it may perhaps be thought, muſt neceſſarily have been very great. The degradation in the quality of Engliſh wool, if not below what it was in former times, yet below what it naturally would have been in the preſent ſtate of improvement and cultivation, muſt have been, it may perhaps be ſuppoſed, very nearly in proportion to the degradation of price. As the quality depends upon the breed, upon the paſture, and upon the management and cleanlineſs of the ſheep, during the whole progreſs of the growth of the fleece, the attention to theſe circumſtances, it may naturally enough be imagined, can never be greater than in proportion to the recompence which the price of the fleece is likely to make for the labour and expence which that attention requires. It happens, however, that the goodneſs of the fleece depends, in a great meaſure, upon the health, growth, and bulk of the animal; the ſame attention which is neceſſary for the improvement of the carcaſe, is, in ſome reſpects, ſufficient for that of the fleece. Notwithſtanding the degradation of price, Engliſh wool is ſaid to have been improved conſiderably during the courſe even of the preſent century. The improvement might perhaps have been greater if the price had been better; but the lowneſs of price, though it may have obſtructed, yet certainly it has not altogether prevented that improvement.

THE violence of theſe regulations, therefore, ſeems to have affected neither the quantity nor the quality of the annual produce of wool ſo much as it might have been expected to do; (though I think it probable that it may have affected the latter a good deal more than the former) and the intereſt of the growers of wool, though it muſt have

have been hurt in ſome degree, ſeems, upon the whole, to have been much leſs hurt than could well have been imagined.

THESE conſiderations, however, will not juſtify the abſolute prohibition of the exportation of the wool. But they will fully juſtify the impoſition of a conſiderable tax upon that exportation.

To hurt in any degree the intereſt of any one order of citizens, for no other purpoſe but to promote that of ſome other, is evidently contrary to that juſtice and equality of treatment which the ſovereign owes to all the different orders of his ſubjects. But the prohibition certainly hurts, in ſome degree, the intereſt of the growers of wool, for no other purpoſe but to promote that of the manufacturers.

EVERY different order of citizens is bound to contribute to the ſupport of the ſovereign or commonwealth. A tax of five, or even of ten ſhillings upon the exportation of every tod of wool, would produce a very conſiderable revenue to the ſovereign. It would hurt the intereſt of the growers ſomewhat leſs than the prohibition, becauſe it would not probably lower the price of wool quite ſo much. It would afford a ſufficient advantage to the manufacturer, becauſe, though he might not buy his wool altogether ſo cheap as under the prohibition, he would ſtill buy it, at leaſt, five or ten ſhillings cheaper than any foreign manufacturer could buy it, beſides ſaving the freight and inſurance, which the other would be obliged to pay. It is ſcarce poſſible to deviſe a tax which could produce any conſiderable revenue to the ſovereign, and at the ſame time occaſion ſo little inconveniency to any body.

THE prohibition, notwithſtanding all the penalties which guard it, does not prevent the exportation of wool. It is exported, it is well known, in great quantities. The great difference between the price in the home and that in the foreign market, preſents ſuch a temptation to ſmuggling, that all the rigour of the law cannot prevent it. This illegal exportation is advantageous to no body but the

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ſmuggler. A legal exportation ſubject to a tax, by affording a revenue to the ſovereign, and thereby ſaving the impoſition of ſome other, perhaps more burdenſome and inconvenient taxes, might prove advantageous to all the different ſubjects of the ſtate.

THE exportation of fuller's earth, or fuller's clay, ſuppoſed to be neceſſary for preparing and cleanſing the woollen manufactures, has been ſubjected to nearly the ſame penalties as the exportation of wool. Even tobacco-pipe clay, though acknowledged to be different from fuller's clay, yet, on account of their reſemblance, and becauſe fuller's clay might ſometimes be exported as tobacco-pipe clay, has been laid under the ſame prohibitions and penalties.

BY the 13th and 14th of Charles II. chap. 7. the exportation, not only of raw hides, but of tanned leather, except in the ſhape of boots, ſhoes, or ſlippers, was prohibited; and the law gave a monopoly to our boot-makers and ſhoe-makers, not only againſt our graziers, but againſt our tanners. By ſubſequent ſtatutes our tanners have got themſelves exempted from this monopoly, upon paying a ſmall tax of only one ſhilling on the hundred weight of tanned leather, weighing one hundred and twelve pounds. They have obtained likewiſe the drawback of two thirds of the exciſe duties impoſed upon their commodity, even when exported without further manufacture. All manufactures of leather may be exported duty free; and the exporter is beſides entitled to the drawback of the whole duties of exciſe. Our graziers ſtill continue ſubject to the old monopoly. Graziers ſeparated from one another, and diſperſed through all the different corners of the country, cannot, without great difficulty, combine together for the purpoſe either of impoſing monopolies upon their fellow-citizens, or of exempting themſelves from ſuch, as may have been impoſed upon them by other people. Manufacturers of all kinds, collected together in numerous bodies in all great cities, eaſily can. Even the horns of cattle are prohibited to be exported; and the two inſignificant trades

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of the horner and comb-maker enjoy, in this reſpect, a monopoly againſt the graziers.

RESTRAINTS, either by prohibitions or by taxes, upon the exportation of goods which are partially, but not completely manufactured, are not peculiar to the manufacture of leather. As long as any thing remains to be done, in order to fit any commodity for immediate uſe and conſumption, our manufacturers think that they themſelves ought to have the doing of it. Woollen yarn and worſted are prohibited to be exported under the ſame penalties as wool. Even white cloths are ſubject to a duty upon exportation, and our dyers have ſo far obtained a monopoly againſt our clothiers. Our clothiers would probably have been able to defend themſelves againſt it, but it happens that the greater part of our principal clothiers are themſelves likewiſe dyers. Watch-caſes, clock-caſes, and dial-plates for clocks and watches, have been prohibited to be exported. Our clock-makers and watch-makers are, it ſeems, unwilling that the price of this ſort of workmanſhip ſhould be raiſed upon them by the competition of foreigners.

BY ſome old ſtatutes of Edward III., Henry VIII., and Edward VI., the exportation of all metals was prohibited. Lead and tin were alone excepted; probably on account of the great abundance of thoſe metals; in the exportation of which, a conſiderable part of the trade of the kingdom in thoſe days conſiſted. For the encouragement of the mining trade, the 5th of William and Mary, chap. 17., exempted from this prohibition iron, copper, and mundic metal made from Britiſh ore. The exportation of all ſorts of copper bars, foreign as well as Britiſh, was afterwards permitted by the 9th and 10th of William III., chap. 26. The exportation of unmanufactured braſs, of what is called gun-metal, bell-metal, and ſhroff-metal, ſtill continues to be prohibited. Braſs manufactures of all ſorts may be exported duty free.

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THE exportation of the materials of manufacture, where it is not altogether prohibited, is in many caſes ſubjected to conſiderable duties.

BY the 8th George I., chap. 15., the exportation of all goods, the produce or manufacture of Great Britain, upon which any duties had been impoſed by former ſtatutes, was rendered duty free. The following goods, however, were excepted: Allum, lead, lead ore, tin, tanned leather, copperas, coals, wool cards, white woollen cloths, lapis calaminaris, ſkins of all ſorts, glue, coney hair or wool, hares wool, hair of all ſorts, horſes, and litharge of lead. If you except horſes, all theſe are either materials of manufacture, or incomplete manufactures (which may be conſidered as materials for ſtill further manufacture), or inſtruments of trade. This ſtatute leaves them ſubject to all the old duties which had ever been impoſed upon them, the old ſubſidy and one per cent. outwards.

BY the ſame ſtatute a great number of foreign drugs for dyers uſe, are exempted from all duties upon importation. Each of them, however, is afterwards ſubjected to a certain duty, not indeed a very heavy one, upon exportation. Our dyers, it ſeems, while they thought it for their intereſt to encourage the importation of thoſe drugs, by an exemption from all duties, thought it likewiſe for their intereſt to throw ſome ſmall diſcouragement upon their exportation. The avidity, however, which ſuggeſted this notable piece of mercantile ingenuity, moſt probably diſappointed itſelf of its object. It neceſſarily taught the importers to be more careful than they might otherwiſe have been, that their importation ſhould not exceed what was neceſſary for the ſupply of the home market. The home market was at all times likely to be more ſcantily ſupplied; the commodities were at all times likely to be ſomewhat dearer there than they would have been, had the exportation been rendered as free as the importation.

By the above-mentioned ſtatute, gum ſenega, or gum arabic, being among the enumerated dying drugs, might be imported duty free. They were ſubjected, indeed, to a ſmall poundage duty, amounting only to three pence in the hundred weight upon their re-exportation. France enjoyed, at that time, an excluſive trade to the country moſt productive of thoſe drugs, that which lies in the neighbourhood of the Senegal; and the Britiſh market could not eaſily be ſupplied by the immediate importation of them from the place of growth. By the 25th Geo. II. therefore, gum ſenega was allowed to be imported (contrary to the general diſpoſitions of the act of navigation) from any part of Europe. As the law, however, did not mean to encourage this ſpecies of trade, ſo contrary to the general principles of the mercantile policy of England, it impoſed a duty of ten ſhillings the hundred weight upon ſuch importation, and no part of this duty was to be afterwards drawn back upon its exportation. The ſucceſsful war which began in 1755 gave Great Britain the ſame excluſive trade to thoſe countries which France had enjoyed before. Our manufacturers, as ſoon as the peace was made, endeavoured to avail themſelves of this advantage, and to eſtabliſh a monopoly in their own favour, both againſt the growers, and againſt the importers of this commodity. By the 5th Geo. III. therefore, chap. 37. the exportation of gum ſenega from his majeſty's dominions in Africa was confined to Great Britain, and was ſubjected to all the ſame reſtrictions, regulations, forfeitures and penalties, as that of the enumerated commodities of the Britiſh colonies in America and the Weſt Indies. Its importation, indeed, was ſubjected to a ſmall duty of ſixpence the hundred weight, but its re-exportation was ſubjected to the enormous duty of one pound ten ſhillings the hundred weight. It was the intention of our manufacturers that the whole produce of thoſe countries ſhould be imported into Great Britain, and in order that they themſelves might be enabled to buy it at their own price, that no part of it ſhould be

exported again, but at ſuch an expence as would ſufficiently diſcourage that exportation. Their avidity, however, upon this, as well as upon many other occaſions, diſappointed itſelf of its object. This enormous duty preſented ſuch a temptation to ſmuggling, that great quantities of this commodity were clandeſtinely exported probably to all the manufacturing countries of Europe, but particularly to Holland, not only from Great Britain but from Africa. Upon this account, by the 14 Geo. III. chap. 10. this duty upon exportation was reduced to five ſhillings the hundred weight.

IN the book of rates, according to which the old ſubſidy was levied, beaver ſkins were eſtimated at ſix ſhillings and eight pence a piece, and the different ſubſidies and impoſts, which before the year 1722 had been laid upon their importation, amounted to one-fifth part of the rate, or to ſixteen pence upon each ſkin; all of which, except half the old ſubſidy, amounting only to two pence, was drawn back upon exportation. This duty upon the importation of ſo important a material of manufacture had been thought too high, and, in the year 1722, the rate was reduced to two ſhillings and ſixpence, which reduced the duty upon importation to ſixpence, and of this only one half was to be drawn back upon exportation. The ſame ſucceſsful war put the country moſt productive of beaver under the dominion of Great Britain, and beaver ſkins being among the enumerated commodities, their exportation from America was conſequently confined to the market of Great Britain. Our manufacturers ſoon bethought themſelves of the advantage which they might make of this circumſtance, and in the year 1764, the duty upon the importation of beaver-ſkin was reduced to one penny, but the duty upon exportation was raiſed to ſeven pence each ſkin, without any drawback of the duty upon importation. By the ſame law, a duty of eighteen pence the pound was impoſed upon the exportation of beaver-wool or wombs, without making any alteration in the duty upon the importation of that commodity, which, when

imported

imported by Britiſh and in Britiſh ſhipping, amounted at that time to between four pence and five pence the piece.

COALS may be conſidered both as a material of manufacture and as an inſtrument of trade. Heavy duties, accordingly, have been impoſed upon their exportation, amounting at preſent (1783) to more than five ſhillings the ton, or to more than fifteen ſhillings the chaldron, Newcaſtle meaſure; which is in moſt caſes more than the original value of the commodity at the coal pit, or even at the ſhipping port for exportation.

THE exportation, however, of the inſtruments of trade, properly ſo called, is commonly reſtrained, not by high duties, but by abſolute prohibitions. Thus by the 7th and 8th of William III. chap. 20. ſect. 8. the exportation of frames or engines for knitting gloves or ſtockings is prohibited under the penalty, not only of the forfeiture of ſuch frames or engines, ſo exported, or attempted to be exported, but of forty pounds, one half to the king, the other to the perſon who ſhall inform or ſue for the ſame. In the ſame manner, by the 14th Geo. III. chap. 71. the exportation to foreign parts, of any utenſils made uſe of in the cotton, linen, woollen and ſilk manufactures, is prohibited under the penalty, not only of the forfeiture of ſuch utenſils, but of two hundred pounds, to be paid by the perſon who ſhall offend in this manner, and likewiſe of two hundred pounds to be paid by the maſter of the ſhip who ſhall knowingly ſuffer ſuch utenſils to be loaded on board his ſhip.

WHEN ſuch heavy penalties were impoſed upon the exportation of the dead inſtruments of trade, it could not well be expected that the living inſtrument, the artificer, ſhould be allowed to go free. Accordingly, by the 5 Geo. I. chap. 27. the perſon who ſhall be convicted of enticing any artificer of, or in any of the manufactures of Great Britain, to go into any foreign parts in order to practiſe or teach his trade, is liable for the firſt offence to be fined in any ſum not exceeding one hundred pounds, and to three months impriſonment, and until the

fine ſhall be paid; and for the ſecond offence, to be fined in any ſum at the diſcretion of the court, and to impriſonment for twelve months, and until the fine ſhall be paid. By the 23 Geo. II. chap. 13. this penalty is increaſed for the firſt offence to five hundred pounds for every artificer ſo enticed, and to twelve months impriſonment, and until the fine ſhall be paid; and for the ſecond offence, to one thouſand pounds, and to two years impriſonment, and until the fine ſhall be paid.

By the former of thoſe two ſtatutes, upon proof that any perſon has been enticing any artificer, or that any artificer has promiſed or contracted to go into foreign parts for the purpoſes aforeſaid, ſuch artificers may be obliged to give ſecurity, at the diſcretion of the court, that he ſhall not go beyond the ſeas, and may be committed to priſon until he give ſuch ſecurity.

If any artificer has gone beyond the ſeas, and is exerciſing or teaching his trade in any foreign country, upon warning being given to him by any of his majeſty's miniſters or conſuls abroad, or by one of his majeſty's ſecretaries of ſtate for the time being, if he does not, within ſix months after ſuch warning, return into this realm, and from thenceforth abide and inhabit continually within the ſame, he is from thenceforth declared incapable of taking any legacy deviſed to him within this kingdom, or of being executor or adminiſtrator to any perſon, or of taking any lands within this kingdom by deſcent, deviſe, or purchaſe. He likewiſe forfeits to the king, all his lands, goods and chattels, is declared an alien in every reſpect, and is put out of the king's protection.

It is unneceſſary, I imagine, to obſerve, how contrary ſuch regulations are to the boaſted liberty of the ſubject, of which we affect to be ſo very jealous; but which, in this caſe, is ſo plainly ſacrificed to the futile intereſts of our merchants and manufacturers.

The laudable motive of all theſe regulations, is to extend our own manufactures, not by their own improvement, but by the depreſſion

preſſion of thoſe of all our neighbours, and by putting an end, as much as poſſible, to the troubleſome competition of ſuch odious and diſagreeable rivals. Our maſter manufacturers think it reaſonable, that they themſelves ſhould have the monopoly of the ingenuity of all their countrymen. Though by reſtraining, in ſome trades, the number of apprentices which can be employed at one time, and by impoſing the neceſſity of a long apprenticeſhip in all trades, they endeavour, all of them, to confine the knowledge of their reſpective employments to as ſmall a number as poſſible; they are unwilling, however, that any part of this ſmall number ſhould go abroad to inſtruct foreigners.

CONSUMPTION is the ſole end and purpoſe of all production; and the intereſt of the producer ought to be attended to, only ſo far as it may be neceſſary for promoting that of the conſumer. The maxim is ſo perfectly ſelf-evident, that it would be abſurd to attempt to prove it. But in the mercantile ſyſtem, the intereſt of the conſumer is almoſt conſtantly ſacrificed to that of the producer; and it ſeems to conſider production, and not conſumption, as the ultimate end and object of all induſtry and commerce.

IN the reſtraints upon the importation of all foreign commodities which can come into competition with thoſe of our own growth, or manufacture, the intereſt of the home-conſumer is evidently ſacrificed to that of the producer. It is altogether for the benefit of the latter, that the former is obliged to pay that enhancement of price which this monopoly almoſt always occaſions.

IT is altogether for the benefit of the producer that bounties are granted upon the exportation of ſome of his productions. The home-conſumer is obliged to pay, firſt, the tax which is neceſſary for paying the bounty, and ſecondly, the ſtill greater tax which neceſſarily ariſes from the enhancement of the price of the commodity in the home market.

By the famous treaty of commerce with Portugal, the conſumer is prevented by high duties from purchaſing of a neighbouring country, a commodity which our own climate does not produce, but is obliged to purchaſe it of a diſtant country, though it is acknowledged that the commodity of the diſtant country is of a worſe quality than that of the near one. The home-conſumer is obliged to ſubmit to this inconveniency, in order that the producer may import into the diſtant country ſome of his productions upon more advantageous terms than he would otherwiſe have been allowed to do. The conſumer, too, is obliged to pay, whatever enhancement in the price of thoſe very productions, this forced exportation may occaſion in the home-market.

But in the ſyſtem of laws which has been eſtabliſhed for the management of our American and Weſt Indian colonies, the intereſt of the home-conſumer has been ſacrificed to that of the producer with a more extravagant profuſion than in all our other commercial regulations. A great empire has been eſtabliſhed for the ſole purpoſe of raiſing up a nation of cuſtomers who ſhould be obliged to buy from the ſhops of our different producers, all the goods with which theſe could ſupply them. For the ſake of that little enhancement of price which this monopoly might afford our producers, the home-conſumers have been burdened with the whole expence of maintaining and defending that empire. For this purpoſe, and for this purpoſe only, in the two laſt wars, more than two hundred millions have been ſpent, and a new debt of more than a hundred and ſeventy millions has been contracted over and above all that had been expended for the ſame purpoſe in former wars. The intereſt of this debt alone is not only greater than the whole extraordinary profit, which, it ever could be pretended, was made by the monopoly of the colony trade, but than the whole value of that trade, or than the whole value of the goods, which at an average have been annually exported to the colonies.

It cannot be very difficult to determine who have been the contrivers of this whole mercantile ſyſtem; not the conſumers, we may believe, whoſe intereſt has been entirely neglected; but the producers, whoſe intereſt has been ſo carefully attended to; and among this latter claſs our merchants and manufacturers have been by far the principal architects. In the mercantile regulations, which have been taken notice of in this chapter, the intereſt of our manufacturers has been moſt peculiarly attended to; and the intereſt, not ſo much of the conſumers, as that of ſome other ſets of producers, has been ſacrificed to it.

Vol. II. *page* 342. *line* 25. *after the words* to fall under their diſpleaſure, *inſert what follows:*

Of the Publick Works and Inſtitutions which are neceſſary for facilitating particular Branches of Commerce.

THE object of the publick works and inſtitutions above mentioned is to facilitate commerce in general. But in order to facilitate ſome particular branches of it, particular inſtitutions are neceſſary, which again require a particular and extraordinary expence.

Some particular branches of commerce, which are carried on with barbarous and uncivilized nations, require extraordinary protection. An ordinary ſtore or counting-houſe could give little ſecurity to the goods of the merchants who trade to the weſtern coaſt of Africa. To defend them from the barbarous natives, it is neceſſary that the place where they are depoſited, ſhould be, in ſome meaſure, fortified. The diſorders in the government of Indoſtan have been ſuppoſed to render a like precaution neceſſary even among that mild and gentle people; and it was under pretence of ſecuring their perſons and property from violence, that both the Engliſh and

French Eaſt India Companies were allowed to erect the firſt forts which they poſſeſſed in that country. Among other nations, whoſe vigorous government will ſuffer no ſtrangers to poſſeſs any fortified place within their territory, it may be neceſſary to maintain ſome ambaſſador, miniſter, or conſul, who may both decide, according to their own cuſtoms, the differences ariſing among his own countrymen; and, in their diſputes with the natives, may, by means of his publick character, interfere with more authority, and afford them a more powerful protection, than they could expect from any private man. The intereſts of commerce have frequently made it neceſſary to maintain miniſters in foreign countries, where the purpoſes, either of war or alliance, would not have required any. The commerce of the Turkey company firſt occaſioned the eſtabliſhment of an ordinary ambaſſador at Conſtantinople. The firſt Engliſh embaſſies to Ruſſia aroſe altogether from commercial intereſts. The conſtant interference which thoſe intereſts neceſſarily occaſioned between the ſubjects of the different ſtates of Europe, has probably introduced the cuſtom of keeping, in all neighbouring countries, ambaſſadors or miniſters conſtantly reſident even in the time of peace. This cuſtom, unknown to ancient times, ſeems not to be older than the end of the fifteenth, or beginning of the ſixteenth century; that is, than the time when commerce firſt began to extend itſelf to the greater part of the nations of Europe, and when they firſt began to attend to its intereſts.

It ſeems not unreaſonable, that the extraordinary expence, which the protection of any particular branch of commerce may occaſion, ſhould be defrayed by a moderate tax upon that particular branch; by a moderate fine, for example, to be paid by the traders when they firſt enter into it, or, what is more equal, by a particular duty of ſo much per cent. upon the goods which they either import into, or export out of, the particular countries with which it is carried on. The protection of trade in general, from pirates and freebooters, is

ſaid

ſaid to have given occaſion to the firſt inſtitution of the duties of cuſtoms. But, if it was thought reaſonable to lay a general tax upon trade, in order to defray the expence of protecting trade in general, it ſhould ſeem equally reaſonable to lay a particular tax upon a particular branch of trade, in order to defray the extraordinary expence of protecting that branch.

THE protection of trade in general has always been conſidered as eſſential to the defence of the commonwealth; and, upon that account, a neceſſary part of the duty of the executive power. The collection and application of the general duties of cuſtoms, therefore, have always been left to that power. But the protection of any particular branch of trade is a part of the general protection of trade; a part, therefore, of the duty of that power; and if nations always acted conſiſtently, the particular duties levied for the purpoſes of ſuch particular protection, ſhould always have been left equally to its diſpoſal. But in this reſpect, as well as in many others, nations have not always acted conſiſtently; and in the greater part of the commercial ſtates of Europe, particular companies of merchants have had the addreſs to perſwade the legiſlature to entruſt to them the performance of this part of the duty of the ſovereign, together with all the powers which are neceſſarily connected with it.

THESE companies, though they may, perhaps, have been uſeful for the firſt introduction of ſome branches of commerce, by making, at their own expence, an experiment which the ſtate might not think it prudent to make, have in the long-run proved, univerſally, either burdenſome or uſeleſs, and have either miſmanaged or confined the trade.

WHEN thoſe companies do not trade upon a joint ſtock, but are obliged to admit any perſon, properly qualified, upon paying a certain fine, and agreeing to ſubmit to the regulations of the company, each member trading upon his own ſtock, and at his own riſk, they are called regulated companies. When they trade upon a joint ſtock,

each member ſharing in the common profit or loſs in proportion to his ſhare in this ſtock, they are called joint ſtock companies. Such companies, whether regulated or joint ſtock, ſometimes have, and ſometimes have not, excluſive privileges.

REGULATED companies reſemble, in every reſpect, the corporations of trades, ſo common in the cities and towns of all the different countries of Europe; and are a ſort of enlarged monopolies of the ſame kind. As no inhabitant of a town can exerciſe an incorporated trade, without firſt obtaining his freedom in the corporation, ſo in moſt caſes no ſubject of the ſtate can lawfully carry on any branch of foreign trade, for which a regulated company is eſtabliſhed, without firſt becoming a member of that company. The monopoly is more or leſs ſtrict according as the terms of admiſſion are more or leſs difficult; and according as the directors of the company have more or leſs authority, or have it more or leſs in their power to manage, in ſuch a manner as to confine the greater part of the trade to themſelves, and their particular friends. In the moſt ancient regulated companies the privileges of apprenticeſhip were the ſame as in other corporations; and intitled the perſon who had ſerved his time to a member of the company, to become himſelf a member, either without paying any fine, or upon paying a much ſmaller one than what was exacted of other people. The uſual corporation ſpirit, wherever the law does not reſtrain it, prevails in all regulated companies. When they have been allowed to act according to their natural genius, they have always, in order to confine the competition to as ſmall a number of perſons as poſſible, endeavoured to ſubject the trade to many burdenſome regulations. When the law has reſtrained them from doing this, they have become altogether uſeleſs and inſignificant.

THE regulated companies for foreign commerce, which at preſent ſubſiſt in Great Britain, are, the ancient merchant adventurers company, now commonly called the Hamburgh Company, the Ruſſian Company,

Company, the Eaſtland Company, the Turky Company, and the African Company.

THE terms of admiſſion into the Hamburgh Company, are now ſaid to be quite eaſy; and the directors either have it not in their power to ſubject the trade to any burdenſome reſtraints or regulations, or, at leaſt, have not of late exerciſed that power. It has not always been ſo. About the middle of the laſt century, the fine for admiſſion was fifty, and at one time one hundred pounds, and the conduct of the company was ſaid to be extremely oppreſſive. In 1643, in 1645, and in 1661, the clothiers and free traders of the Weſt of England complained of them to parliament, as of monopoliſts who confined the trade and oppreſſed the manufactures of the country. Though thoſe complaints produced no act of parliament, they had probably intimidated the company ſo far, as to oblige them to reform their conduct. Since that time, at leaſt, there has been no complaints againſt them. By the 10th and 11th of William III. c. 6. the fine for admiſſion into the Ruſſian Company was reduced to five pounds; and by the 25th of Charles II. c. 7. that for admiſſion into the Eaſtland Company, to forty ſhillings, while, at the ſame time, Sweden, Denmark and Norway, all the countries on the north-ſide of the Baltick, were exempted from their excluſive charter. The conduct of thoſe companies had probably given occaſion to thoſe two acts of parliament. Before that time, Sir Joſiah Child had repreſented both theſe and the Hamburgh Company as extremely oppreſſive, and imputed to their bad management the low ſtate of the trade, which we at that time carried on to the countries comprehended within their reſpective charters. But though ſuch companies may not, in the preſent times, be very oppreſſive, they are certainly altogether uſeleſs. To be merely uſeleſs, indeed, is perhaps the higheſt eulogy which can ever juſtly be beſtowed upon a regulated company; and all the three companies above mentioned ſeem, in their preſent ſtate, to deſerve this eulogy.

THE fine for admiſſion into the Turky Company, was formerly twenty-five pounds for all perſons under twenty-ſix years of age, and fifty pounds for all perſons above that age. Nobody but mere merchants could be admitted; a reſtriction which excluded all ſhop-keepers and retailers. By a bye-law, no Britiſh manufactures could be exported to Turky but in the general ſhips of the company; and as thoſe ſhips ſailed always from the port of London, this reſtriction confined the trade to that extenſive port, and the traders, to thoſe who lived in London and in its neighbourhood. By another bye-law, no perſon living within twenty miles of London, and not free of the city, could be admitted a member; another reſtriction, which, joined to the foregoing, neceſſarily excluded all but the freemen of London. As the time for the loading and ſailing of thoſe general ſhips depended altogether upon the directors, they could eaſily fill them with their own goods and thoſe of their particular friends, to the excluſion of others, who, they might pretend, had made their propoſals too late. In this ſtate of things, therefore, this company was in every reſpect a ſtrict and oppreſſive monopoly. Thoſe abuſes gave occaſion to the act of the 26th of Geo. II. c. 18. reducing the fine for admiſſion to twenty pounds for all perſons, without any diſtinction of ages, or any reſtriction, either to mere merchants, or to the freemen of London; and granting to all ſuch perſons the liberty of exporting, from all the ports of Great Britain to any port in Turky, all Britiſh goods of which the exportation was not prohibited; and of importing from thence all Turkiſh goods, of which the importation was not prohibited, upon paying both the general duties of cuſtoms, and the particular duties aſſeſſed for defraying the neceſſary expences of the company; and ſubmitting, at the ſame time, to the lawful authority of the Britiſh ambaſſador and conſuls reſident in Turky, and to the bye-laws of the company duly enacted. To prevent any oppreſſion by thoſe bye-laws, it was by the ſame act ordained, that if any ſeven members of the company conceived themſelves aggrieved by

by any bye-law which ſhould be enacted after the paſſing of this act, they might appeal to the Board of Trade and Plantations (to the authority of which, a committee of the privy council has now ſucceeded), provided ſuch appeal was brought within twelve months after the bye-law was enacted; and that if any ſeven members conceived themſelves aggrieved by any bye-law which had been enacted before the paſſing of this act, they might bring a like appeal, provided it was within twelve months after the day on which this act was to take place. The experience of one year, however, may not always be ſufficient to diſcover to all the members of a great company the pernicious tendency of a particular bye-law; and if ſeveral of them ſhould afterwards diſcover it, neither the Board of Trade, nor the Committee of Council, can afford them any redreſs. The object, beſides, of the greater part of the bye-laws of all regulated companies, as well as of all other corporations, is not ſo much to oppreſs thoſe who are already members, as to diſcourage others from becoming ſo; which may be done, not only by a high fine, but by many other contrivances. The conſtant view of ſuch companies is always to raiſe the rate of their own profit as high as they can; to keep the market, both for the goods which they export, and for thoſe which they import, as much underſtocked as they can: which can be done only by reſtraining the competition, or by diſcouraging new adventurers from entering into the trade. A fine even of twenty pounds, beſides, though it may not, perhaps, be ſufficient to diſcourage any man from entering into the Turky trade, with an intention to continue in it, may be enough to diſcourage a ſpeculative merchant from hazarding a ſingle adventure in it. In all trades, the regular eſtabliſhed traders, even though not incorporated, naturally combine to raiſe profits, which are noway ſo likely to be kept, at all times, down to their proper level, as by the occaſional competition of ſpeculative adventurers. The Turky trade, though in ſome meaſure laid open by this act of parliament, is ſtill conſidered by many people as very far

far from being altogether free. The Turky company contribute to maintain an ambaſſador and two or three conſuls, who, like other publick miniſters, ought to be maintained altogether by the ſtate, and the trade laid open to all his majeſty's ſubjects. The different taxes levied by the company, for this and other corporation purpoſes, might afford a revenue much more than ſufficient to enable the ſtate to maintain ſuch miniſters.

REGULATED companies, it was obſerved by Sir Joſiah Child, though they had frequently ſupported publick miniſters, had never maintained any forts or garriſons in the countries to which they traded; whereas joint ſtock companies frequently had. And in reality the former ſeem to be much more unfit for this ſort of ſervice than the latter. Firſt, the directors of a regulated company have no particular intereſt in the proſperity of the general trade of the company, for the ſake of which, ſuch forts and garriſons are maintained. The decay of that general trade may even frequently contribute to the advantage of their own private trade; as by diminiſhing the number of their competitors, it may enable them both to buy cheaper, and to ſell dearer. The directors of a joint ſtock company, on the contrary, having only their ſhare in the profits which are made upon the common ſtock committed to their management, have no private trade of their own, of which the intereſt can be ſeparated from that of the general trade of the company. Their private intereſt is connected with the proſperity of the general trade of the company; and with the maintenance of the forts and garriſons, which are neceſſary for its defence. They are more likely, therefore, to have that continual and careful attention which that maintenance neceſſarily requires. Secondly, The directors of a joint ſtock company have always the management of a large capital, the joint ſtock of the company, a part of which they may frequently employ, with propriety, in building, repairing, and maintaining ſuch neceſſary forts and garriſons. But the directors of a regulated

company, having the management of no common capital, have no other fund to employ in this way, but the caſual revenue ariſing from the admiſſion fines, and from the corporation duties, impoſed upon the trade of the company. Though they had the ſame intereſt, therefore, to attend to the maintenance of ſuch forts and garriſons, they can ſeldom have the ſame ability to render that attention effectual. The maintenance of a publick miniſter requiring ſcarce any attention, and but a moderate and limited expence, is a buſineſs much more ſuitable both to the temper and abilities of a regulated company.

LONG after the time of Sir Joſiah Child, however, in 1750, a regulated company was eſtabliſhed, the preſent company of merchants trading to Africa, which was expreſsly charged at firſt with the maintenance of all the Britiſh forts and garriſons that lie between Cape Blanc and the Cape of Good Hope, and afterwards with that of thoſe only which lie between Cape Rouge and the Cape of Good Hope. The act which eſtabliſhes this company (the 23d of George II. c. 31.) ſeems to have had two diſtinct objects in view; firſt, to reſtrain effectually the oppreſſive and monopolizing ſpirit which is natural to the directors of a regulated company; and ſecondly, to force them, as much as poſſible, to give an attention, which is not natural to them, towards the maintenance of forts and garriſons.

FOR the firſt of theſe purpoſes, the fine for admiſſion is limited to forty ſhillings. The company is prohibited from trading in their corporate capacity, or upon a joint ſtock; from borrowing money upon common ſeal, or from laying any reſtraints upon the trade, which may be carried on freely from all places, and by all perſons being Britiſh ſubjects, and paying the fine. The government is in a committee of nine perſons who meet at London, but who are choſen annually by the freemen of the company at London, Briſtol, and Liverpool; three from each place. No committee-man can be

continued

continued in office for more than three years together. Any committee-man might be removed by the Board of Trade and Plantations; now by a committee of council, after being heard in his own defence. The committee are forbid to export negroes from Africa, or to import any African goods into Great Britain. But as they are charged with the maintenance of forts and garrifons, they may, for that purpofe, export from Great Britain to Africa, goods and ftores of different kinds. Out of the monies which they fhall receive from the company, they are allowed a fum not exceeding eight hundred pounds for the falaries of their clerks and agents at London, Briftol, and Liverpool, the houfe-rent of their office at London, and all the other expences of management, commiffion and agency in England. What remains of this fum, after defraying thefe different expences, they may divide among themfelves, as compenfation for their trouble, in what manner they think proper. By this conftitution it might have been expected, that the fpirit of monopoly would have been effectually reftrained, and the firft of thefe purpofes fufficiently anfwered. It would feem, however, that it had not. Though by the 4th of George III. c. 20. the fort of Senegal, with all its dependencies, had been veſted in the company of merchants trading to Africa, yet in the year following (by the 5th of Geo. III. c. 44.), not only Senegal and its dependencies, but the whole coaft, from the port of Sallee, in South Barbary, to Cape Rouge, was exempted from the jurifdiction of that company, was veſted in the crown, and the trade to it declared free to all his majefty's fubjects. The company had been fufpected of reftraining the trade, and of eftablifhing fome fort of improper monopoly. It is not, however, very eafy to conceive how, under the regulations of the 23d Geo. II. they could do fo. In the printed debates of the Houfe of Commons, not always the moft authentic records of truth, I obferve, however, that they have been accufed of this. The members of the committee of nine, being all merchants, and the governors and factors, in their different

different forts and ſettlements, being all dependent upon them, it is not unlikely that the latter might have given peculiar attention to the conſignments and commiſſions of the former, which would eſtabliſh a real monopoly.

For the ſecond of theſe purpoſes, the maintenance of the forts and garriſons, an annual ſum has been allotted to them by parliament, generally about 13,000*l.* For the proper application of this ſum, the committee is obliged to account annually to the Curſitor Baron of Exchequer; which account is afterwards to be laid before parliament. But parliament, which gives ſo little attention to the application of millions, is not likely to give much to that of 13,000*l.* a-year; and the Curſitor Baron of Exchequer, from his profeſſion and education, is not likely to be profoundly ſkilled in the proper expence of forts and garriſons. The captains of his majeſty's navy, indeed, or any other commiſſioned officers, appointed by the Board of Admiralty, may enquire into the condition of the forts and garriſons, and report their obſervations to that board. But that board ſeems to have no direct juriſdiction over the committee, nor any authority to correct thoſe whoſe conduct it may thus enquire into; and the captains of his majeſty's navy, beſides, are not ſuppoſed to be always deeply learned in the ſcience of fortification. Removal from an office, which can be enjoyed only for the term of three years, and of which the lawful emoluments, even during that term, are ſo very ſmall, ſeems to be the utmoſt puniſhment to which any committee-man is liable, for any fault, except direct malverſation, or embezzlement, either of the publick money, or of that of the company; and the fear of that puniſhment can never be a motive of ſufficient weight to force a continual and careful attention to a buſineſs, to which he has no other intereſt to attend. The committee are accuſed of having ſent out bricks and ſtones from England for the reparation of Cape Coaſt Caſtle on the coaſt of Guinea, a buſineſs for which parliament had ſeveral times granted an extraordinary

ſum of money. Theſe bricks and ſtones too, which had thus been ſent upon ſo long a voyage, were ſaid to have been of ſo bad a quality, that it was neceſſary to rebuild from the foundation the walls which had been repaired with them. The forts and garriſons which lie north of Cape Rouge, are not only maintained at the expence of the ſtate, but are under the immediate government of the executive power; and why thoſe which lie ſouth of that Cape, and which too are, in part at leaſt, maintained at the expence of the ſtate, ſhould be under a different government, it ſeems not very eaſy even to imagine a good reaſon. The protection of the Mediterranean trade was the original purpoſe or pretence of the garriſons of Gibraltar and Minorca, and the maintenance and government of thoſe garriſons has always been, very properly, committed, not to the Turky Company, but to the executive power. In the extent of its dominion conſiſts, in a great meaſure, the pride and dignity of that power; and it is not very likely to fail in attention to what is neceſſary for the defence of that dominion. The garriſons at Gibraltar and Minorca, accordingly, have never been neglected; though Minorca has been twice taken, and is now probably loſt for ever, that diſaſter was never even imputed to any neglect in the executive power. I would not, however, be underſtood to inſinuate, that either of thoſe expenſive garriſons was ever, even in the ſmalleſt degree, neceſſary for the purpoſe for which they were originally diſmembered from the Spaniſh monarchy. That diſmemberment, perhaps, never ſerved any other real purpoſe than to alienate from England her natural ally the king of Spain, and to unite the two principal branches of the houſe of Bourbon in a much ſtricter and more parmanent alliance than the ties of blood could ever have united them.

JOINT ſtock companies, eſtabliſhed either by royal charter or by act of parliament, differ in ſeveral reſpects, not only from regulated companies, but from private copartneries.

FIRST,

First, In a private copartnery, no partner, without the conſent of the company, can transfer his ſhare to another perſon, or introduce a new member into the company. Each member, however, may, upon proper warning, withdraw from the copartnery, and demand payment from them of his ſhare of the common ſtock. In a joint ſtock company, on the contrary, no member can demand payment of his ſhare from the company; but each member can, without their conſent, transfer his ſhare to another perſon, and thereby introduce a new member. The value of a ſhare in a joint ſtock is always the price which it will bring in the market; and this may be either greater or leſs, in any proportion, than the ſum which its owner ſtands credited for in the ſtock of the company.

Secondly, In a private copartnery, each partner is bound for the debts contracted by the company to the whole extent of his fortune. In a joint ſtock company, on the contrary, each partner is bound only to the extent of his ſhare.

The trade of a joint ſtock company is always managed by a court of directors. This court, indeed, is frequently ſubject, in many reſpects, to the control of a general court of proprietors. But the greater part of thoſe proprietors ſeldom pretend to underſtand any thing of the buſineſs of the company; and when the ſpirit of faction happens not to prevail among them, give themſelves no trouble about it, but receive contentedly ſuch half yearly or yearly dividend, as the directors think proper to make to them. This total exemption from trouble and from riſk, beyond a limited ſum, encourages many people to become adventurers in joint ſtock companies, who would, upon no account, hazard their fortunes in any private copartnery. Such companies, therefore, commonly draw to themſelves much greater ſtocks than any private copartnery can boaſt of. The trading ſtock of the South Sea Company, at one time, amounted to upwards of thirty-three millions eight hundred thouſand pounds. The divided capital of the Bank of England amounts, at preſent, to

ten millions ſeven hundred and eighty thouſand pounds. The directors of ſuch companies, however, being the managers rather of other people's money than of their own, it cannot well be expected, that they ſhould watch over it with the ſame anxious vigilance with which the partners in a private copartnery frequently watch over their own. Like the ſtewards of a rich man, they are apt to conſider attention to ſmall matters as not for their maſter's honour, and very eaſily give themſelves a diſpenſation from having it. Negligence and profuſion, therefore, muſt always prevail, more or leſs, in the management of the affairs of ſuch a company. It is upon this account that joint ſtock companies for foreign trade have ſeldom been able to maintain the competition againſt private adventurers. They have, accordingly, very ſeldom ſucceeded without an excluſive privilege; and frequently have not ſucceeded with one. Without an excluſive privilege they have commonly miſmanaged the trade. With an excluſive privilege they have both miſmanaged and confined it.

THE royal African Company, the predeceſſors of the preſent African Company, had an excluſive privilege by charter; but as that charter had not been confirmed by act of parliament, the trade, in conſequence of the declaration of rights, was, ſoon after the Revolution, laid open to all his majeſty's ſubjects. The Hudſon's Bay Company are, as to their legal rights, in the ſame ſituation as the Royal African Company. Their excluſive charter has not been confirmed by act of parliament. The South Sea Company, as long as they continued to be a trading company, had an excluſive privilege confirmed by act of parliament; as have likewiſe the preſent United Company of Merchants trading to the Eaſt Indies.

THE Royal African Company ſoon found that they could not maintain the competition againſt private adventurers, whom, notwithſtanding the declaration of rights, they continued for ſome time to call interlopers, and to perſecute as ſuch. In 1698, however, the

the private adventurers were ſubjected to a duty of ten per cent. upon almoſt all the different branches of their trade, to be employed by the company in the maintenance of their forts and garriſons. But, notwithſtanding this heavy tax, the company were ſtill unable to maintain the competition. Their ſtock and credit gradually declined. In 1712, their debts had become ſo great, that a particular act of parliament was thought neceſſary, both for their ſecurity and for that of their creditors. It was enacted, that the reſolution of two-thirds of theſe creditors in number and value, ſhould bind the reſt, both with regard to the time which ſhould be allowed to the company for the payment of their debts; and with regard to any other agreement which it might be thought proper to make with them concerning thoſe debts. In 1730, their affairs were in ſo great diſorder, that they were altogether incapable of maintaining their forts and garriſons, the ſole purpoſe and pretext of their inſtitution. From that year, till their final diſſolution, the parliament judged it neceſſary to allow the annual ſum of ten thouſand pounds for that purpoſe. In 1732, after having been for many years loſers by the trade of carrying negroes to the Weſt Indies, they at laſt reſolved to give it up altogether; to ſell to the private traders to America the negroes which they purchaſed upon the coaſt; and to employ their ſervants in a trade to the inland parts of Africa for gold duſt, elephants teeth, dying drugs, &c. But their ſucceſs in this more confined trade was not greater than in their former extenſive one. Their affairs continued to go gradually to decline, till, at laſt, being in every reſpect a bankrupt company, they were diſſolved by act of parliament, and their forts and garriſons veſted in the preſent regulated company of merchants trading to Africa. Before the erection of the Royal African Company, there had been three other joint ſtock companies ſucceſſively eſtabliſhed, one after another, for the African trade. They were all equally unſucceſsful. They all, however, had excluſive charters, which, though not confirmed by act of

parliament,

parliament, were in thoſe days ſuppoſed to convey a real excluſive privilege.

THE Hudſon's Bay Company, before their misfortunes in the late war, had been much more fortunate than the Royal African Company. Their neceſſary expence is much ſmaller. The whole number of people whom they maintain in their different ſettlements and habitations, which they have honoured with the name of forts, is ſaid not to exceed a hundred and twenty perſons. This number, however, is ſufficient to prepare before-hand the cargo of furs and other goods neceſſary for loading their ſhips, which, on account of the ice, can ſeldom remain above ſix or eight weeks in thoſe ſeas. This advantage of having a cargo ready prepared, could not for ſeveral years be acquired by private adventurers, and without it there ſeems to be no poſſibility of trading to Hudſon's Bay. The moderate capital of the company, which, it is ſaid, does not exceed one hundred and ten thouſand pounds, may beſides be ſufficient to enable them to engroſs the whole, or almoſt the whole, trade and ſurplus produce of the miſerable, though extenſive country, comprehended within their charter. No private adventurers, accordingly, have ever attempted to trade to that country in competition with them. This company, therefore, have always enjoyed an excluſive trade in fact, though they may have no right to it in law. Over and above all this, the moderate capital of this company is ſaid to be divided among a very ſmall number of proprietors. But a joint ſtock company, conſiſting of a ſmall number of proprietors, with a moderate capital, approaches very nearly to the nature of a private copartnery, and may be capable of nearly the ſame degree of vigilance and attention. It is not to be wondered at, therefore, if, in conſequence of theſe different advantages, the Hudſon's Bay Company had, before the late war, been able to carry on their trade with a conſiderable degree of ſucceſs. It does not ſeem probable, however, that their profits ever approached to what the late Mr. Dobbs imagined them.

A much

A much more ſober and judicious writer, Mr. Anderſon, author of the Hiſtorical and Chronological Deduction of Commerce, very juſtly obſerves, that upon examining the accounts which Mr. Dobbs himſelf has given for ſeveral years together, of their exports and imports, and upon making proper allowances for their extraordinary riſk and expence, it does not appear that their profits deſerve to be envied, or that they can much, if at all, exceed the ordinary profits of trade.

The South Sea Company never had any forts or garriſons to maintain, and therefore were entirely exempted from one great expence, to which other joint ſtock companies for foreign trade are ſubject. But they had an immenſe capital divided among an immenſe number of proprietors. It was naturally to be expected, therefore, that folly, negligence, and profuſion ſhould prevail in the whole management of their affairs. The knavery and extravagance of their ſtock-jobbing projects are ſufficiently known, and the explication of them would be foreign to the preſent ſubject. Their mercantile projects were not much better conducted. The firſt trade which they engaged in was that of ſupplying the Spaniſh Weſt Indies with negroes, of which (in conſequence of what was called the Aſſiento contract, granted them by the treaty of Utrecht) they had the excluſive privilege. But as it was not expected that much profit could be made by this trade, both the Portugueze and French companies, who had enjoyed it upon the ſame terms before them, having been ruined by it, they were allowed, as compenſation, to ſend annually a ſhip of a certain burden to trade directly to the Spaniſh Weſt Indies. Of the ten voyages which this annual ſhip was allowed to make, they are ſaid to have gained conſiderably by one, that of the Royal Caroline in 1731, and to have been loſers, more or leſs, by almoſt all the reſt. Their ill ſucceſs was imputed, by their factors and agents, to the extortion and oppreſſion of the Spaniſh government; but was, perhaps, principally owing to the profuſion

fuſion and depredations of thoſe very factors and agents; ſome of whom are ſaid to have acquired great fortunes even in one year. In 1734, the company petitioned the king, that they might be allowed to diſpoſe of the trade and tunnage of their annual ſhip, on account of the little profit which they made by it, and to accept of ſuch equivalent as they could obtain from the king of Spain.

IN 1724, this company had undertaken the whale-fiſhery. Of this, indeed, they had no monopoly; but as long as they carried it on, no other Britiſh ſubjects appear to have engaged in it. Of the eight voyages which their ſhips made to Greenland, they were gainers by one, and loſers by all the reſt. After their eighth and laſt voyage, when they had ſold their ſhips, ſtores, and utenſils, they found that their whole loſs, upon this branch, capital and intereſt included, amounted to upwards of two hundred and thirty-ſeven thouſand pounds.

IN 1722, this company petitioned the parliament to be allowed to divide their immenſe capital of more than thirty-three millions eight hundred thouſand pounds, the whole of which had been lent to government, into two equal parts: The one half, or upwards of ſixteen millions nine hundred thouſand pounds, to be put upon the ſame footing with other government annuities, and not to be ſubject to the debts contracted, or loſſes incurred, by the directors of the company, in the proſecution of their mercantile projects; the other half to remain, as before, a trading ſtock, and to be ſubject to thoſe debts and loſſes. The petition was too reaſonable not to be granted. In 1733, they again petitioned the parliament, that three-fourths of their trading ſtock might be turned into annuity ſtock, and only one-fourth remain as trading ſtock, or expoſed to the hazards ariſing from the bad management of their directors. Both their annuity and trading ſtocks had, by this time, been reduced more than two millions each, by ſeveral different payments from government; ſo that this fourth amounted only to 3,662,784*l.* 8*s.* 6*d.* In 1748,

all

all the demands of the company upon the king of Spain, in conſequence of the Aſſiento contract, were, by the treaty of Aix-la-Chapelle, given up for what was ſuppoſed an equivalent. An end was put to their trade with the Spaniſh Weſt Indies, the remainder of their trading ſtock was turned into an annuity ſtock, and the company ceaſed in every reſpect to be a trading company.

It ought to be obſerved, that in the trade which the South Sea Company carried on by means of their annual ſhip, the only trade by which it ever was expected that they could make any conſiderable profit, they were not without competitors, either in the foreign or in the home market. At Carthagena, Porto Bello, and La Vera Cruz, they had to encounter the competition of the Spaniſh merchants, who brought from Cadiz, to thoſe markets, European goods, of the ſame kind with the outward cargo of their ſhip; and in England they had to encounter that of the Engliſh merchants, who imported from Cadiz goods of the Spaniſh Weſt Indies, of the ſame kind with the inward cargo. The goods, both of the Spaniſh and Engliſh merchants, indeed, were, perhaps, ſubject to higher duties. But the loſs occaſioned by the negligence, profuſion, and malverſation of the ſervants of the company, had probably been a tax much heavier than all thoſe duties. That a joint ſtock company ſhould be able to carry on ſucceſsfully any branch of foreign trade, when private adventurers can come into any ſort of open and fair competition with them, ſeems contrary to all experience.

The old Engliſh Eaſt India Company was eſtabliſhed in 1600, by a charter from Queen Elizabeth. In the firſt twelve voyages which they fitted out for India, they appear to have traded as a regulated company, with ſeparate ſtocks, though only in the general ſhips of the company. In 1612, they united into a joint ſtock. Their charter was excluſive, and though not confirmed by act of parliament, was in thoſe days ſuppoſed to convey a real excluſive privilege. For many years, therefore, they were not much diſturbed by

interlopers. Their capital, which never exceeded ſeven hundred and forty-four thouſand pounds, and of which fifty pounds was a ſhare, was not ſo exorbitant, nor their dealings ſo extenſive, as to afford either a pretext for groſs negligence and profuſion, or a cover to groſs malverſation. Notwithſtanding ſome extraordinary loſſes, occaſioned partly by the malice of the Dutch Eaſt India Company, and partly by other accidents, they carried on for many years a ſucceſsful trade. But in proceſs of time, when the principles of liberty were better underſtood, it became every day more and more doubtful how far a royal charter, not confirmed by act of parliament, could convey an excluſive privilege. Upon this queſtion the deciſions of the courts of juſtice were not uniform, but varied with the authority of government and the humours of the times. Interlopers multiplied upon them; and towards the end of the reign of Charles II. through the whole of that of James II. and during a part of that of William III. reduced them to great diſtreſs. In 1698, a propoſal was made to parliament of advancing two millions to government at eight per cent. provided the ſubſcribers were erected into a new Eaſt India Company with excluſive privileges. The old Eaſt India Company offered ſeven hundred thouſand pounds, nearly the amount of their capital, at four per cent. upon the ſame conditions. But ſuch was at that time the ſtate of public credit, that it was more convenient for government to borrow two millions at eight per cent. than ſeven hundred thouſand pounds at four. The propoſal of the new ſubſcribers was accepted, and a new Eaſt India Company eſtabliſhed in conſequence. The old Eaſt India Company, however, had a right to continue their trade till 1701. They had, at the ſame time, in the name of their treaſurer, ſubſcribed, very artfully, three hundred and fifteen thouſand pounds into the ſtock of the new. By a negligence in the expreſſion of the act of parliament, which veſted the Eaſt India trade in the ſubſcribers to this loan of two millions, it did not appear evident that they were all obliged to unite

into a joint ſtock. A few private traders, whoſe ſubſcriptions amounted only to ſeven thouſand two hundred pounds, inſiſted upon the privilege of trading ſeparately upon their own ſtocks and at their own riſk. The old Eaſt India Company had a right to a ſeparate trade upon their old ſtock till 1701; and they had likewiſe, both before and after that period, a right, like that of other private traders, to a ſeparate trade upon the three hundred and fifteen thouſand pounds, which they had ſubſcribed into the ſtock of the new company. The competition of the two companies with the private traders, and with one another, is ſaid to have well nigh ruined both. Upon a ſubſequent occaſion, in 1730, when a propoſal was made to parliament for putting the trade under the management of a regulated company, and thereby laying it in ſome meaſure open, the Eaſt India Company, in oppoſition to this propoſal, repreſented in very ſtrong terms, what had been, at this time, the miſerable effects, as they thought them, of this competition. In India, they ſaid, it raiſed the price of goods ſo high, that they were not worth the buying; and in England, by overſtocking the market, it ſunk their price ſo low, that no profit could be made by them. That by a more plentiful ſupply, to the great advantage and conveniency of the publick, it muſt have reduced, very much, the price of India goods in the Engliſh market, cannot well be doubted; but that it ſhould have raiſed very much their price in the Indian market, ſeems not very probable, as all the extraordinary demand which that competition could occaſion, muſt have been but as a drop of water in the immenſe ocean of Indian commerce. The increaſe of demand, beſides, though in the beginning it may ſometimes raiſe the price of goods, never fails to lower it in the long-run. It encourages production, and thereby increaſes the competition of the producers, who, in order to underſell one another, have recourſe to new diviſions of labour and new improvements of art, which might never otherwiſe have been thought of. The miſerable effects of

which the company complained, were the cheapneſs of conſumption and the encouragement given to production, preciſely the two effects which it is the great buſineſs of political oeconomy to promote. The competition, however, of which they gave this doleful account, had not been allowed to be of long continuance. In 1702, the two companies were, in ſome meaſure, united by an indenture tripartite, to which the queen was the third party; and in 1708, they were, by act of parliament, perfectly conſolidated into one company by their preſent name of the United Company of Merchants trading to the Eaſt Indies. Into this act it was thought worth while to inſert a clauſe, allowing the ſeparate traders to continue their trade till Michaelmas 1711, but at the ſame time empowering the directors, upon three years notice, to redeem their little capital of ſeven thouſand two hundred pounds, and thereby to convert the whole ſtock of the company into a joint-ſtock. By the ſame act, the capital of the company, in conſequence of a new loan to government, was augmented from two millions to three millions two hundred thouſand pounds. In 1743, the company advanced another million to government. But this million being raiſed, not by a call upon the proprietors, but by ſelling annuities and contracting bond-debts, it did not augment the ſtock upon which the proprietors could claim a dividend. It augmented, however, their trading ſtock, it being equally liable with the other three millions two hundred thouſand pounds, to the loſſes ſuſtained, and debts contracted, by the company in proſecution of their mercantile projects. From 1708, or at leaſt from 1711, this company, being delivered from all competitors, and fully eſtabliſhed in the monopoly of the Engliſh commerce to the Eaſt Indies, carried on a ſucceſsful trade, and from their profits made annually a moderate dividend to their proprietors. During the French war, which began in 1741, the ambition of Mr. Dupleix, the French governor of Pondicherry, involved them in the wars of the Carnatic, and in the politics of the Indian princes. After many

many ſignal ſucceſſes, and equally ſignal loſſes, they at laſt loſt Madras, at that time their principal ſettlement in India. It was reſtored to them by the treaty of Aix-la-Chapelle; and about this time the ſpirit of war and conqueſt ſeems to have taken poſſeſſion of their ſervants in India, and never ſince to have left them. During the French war, which began in 1755, their arms partook of the general good fortune of thoſe of Great Britain. They defended Madras, took Pondicherry, recovered Calcutta, and acquired the revenues of a rich and extenſive territory, amounting, it was then ſaid, to upwards of three millions a-year. They remained for ſeveral years in quiet poſſeſſion of this revenue: But in 1767, adminiſtration laid claim to their territorial acquiſitions, and the revenue ariſing from them, as of right belonging to the crown; and the company, in compenſation for this claim, agreed to pay to government four hundred thouſand pounds a-year. They had before this gradually augmented their dividend from about ſix to ten per cent.; that is, upon their capital of three millions two hundred thouſand pounds, they had increaſed it by a hundred and twenty-eight thouſand pounds, or had raiſed it from one hundred and ninety-two thouſand, to three hundred and twenty thouſand pounds a-year. They were attempting about this time to raiſe it ſtill further, to twelve and a half per cent. which would have made their annual payments to their proprietors equal to what they had agreed to pay annually to government, or to four hundred thouſand pounds a-year. But during the two years in which their agreement with government was to take place, they were reſtrained from any further increaſe of dividend by two ſucceſſive acts of parliament, of which the object was to enable them to make a ſpeedier progreſs in the payment of their debts, which were at this time eſtimated at upwards of ſix or ſeven millions ſterling. In 1769, they renewed their agreement with government for five years more, and ſtipulated, that during the courſe of that period they ſhould be allowed

gradually

gradually to increaſe their dividend to twelve and a half per cent. never increaſing it, however, more than one per cent. in one year. This increaſe of dividend, therefore, when it had riſen to its utmoſt height, could augment their annual payments, to their proprietors and government together, but by ſix hundred and eight thouſand pounds, beyond what they had been before their late territorial acquiſitions. What the groſs revenue of thoſe territorial acquiſitions was ſuppoſed to amount to, has already been mentioned; and by an account brought by the Cruttenden Eaſt Indiaman in 1768, the nett revenue, clear of all deductions and military charges, was ſtated at two millions forty-eight thouſand ſeven hundred and forty-ſeven pounds. They were ſaid at the ſame time to poſſeſs another revenue, ariſing partly from lands, but chiefly from the cuſtoms eſtabliſhed at their different ſettlements, amounting to four hundred and thirty-nine thouſand pounds. The profits of their trade too, according to the evidence of their chairman before the Houſe of Commons, amounted at this time to at leaſt four hundred thouſand pounds a-year; according to that of their accomptant, to at leaſt five hundred thouſand; according to the loweſt account, at leaſt equal to the higheſt dividend that was to be paid to their proprietors. So great a revenue might certainly have afforded an augmentation of ſix hundred and eight thouſand pounds in their annual payments; and at the ſame time have left a large ſinking fund ſufficient for the ſpeedy reduction of their debts. In 1773, however, their debts, inſtead of being reduced, were augmented by an arrear to the treaſury in the payment of the four hundred thouſand pounds, by another to the cuſtom-houſe for duties unpaid, by a large debt to the bank for money borrowed, and by a fourth for bills drawn upon them from India, and wantonly accepted, to the amount of upwards of twelve hundred thouſand pounds. The diſtreſs which theſe accumulated claims brought upon them, obliged them, not only to reduce all at once their dividend to ſix per cent. but to throw themſelves upon the mercy of government, and to ſupplicate, firſt, a releaſe from the

further

further payment of the ſtipulated four hundred thouſand pounds a-year; and, ſecondly, a loan of fourteen hundred thouſand, to ſave them from immediate bankruptcy. The great increaſe of their fortune had, it ſeems, only ſerved to furniſh their ſervants with a pretext for greater profuſion, and a cover for greater malverſation, than in proportion even to that increaſe of fortune. The conduct of their ſervants in India, and the general ſtate of their affairs both in India and in Europe, became the ſubjects of a parliamentary inquiry; in conſequence of which ſeveral very important alterations were made in the conſtitution of their government, both at home and abroad. In India, their principal ſettlements of Madras, Bombay, and Calcutta, which had before been altogether independent of one another, were ſubjected to a governor-general, aſſiſted by a council of four aſſeſſors, parliament aſſuming to itſelf the firſt nomination of this governor and council who were to reſide at Calcutta; that city having now become, what Madras was before, the moſt important of the Engliſh ſettlements in India. The court of the mayor of Calcutta, originally inſtituted for the trial of mercantile cauſes, which aroſe in the city and neighbourhood, had gradually extended its jurisdiction with the extenſion of the empire. It was now reduced and confined to the original purpoſe of its inſtitution. Inſtead of it a new ſupreme court of judicature was eſtabliſhed, conſiſting of a chief juſtice and three judges to be appointed by the crown. In Europe, the qualification neceſſary to entitle a proprietor to vote at their general courts was raiſed, from five hundred pounds, the original price of a ſhare in the ſtock of the company, to a thouſand pounds. In order to vote upon this qualification too, it was declared neceſſary that he ſhould have poſſeſſed it, if acquired by his own purchaſe, and not by inheritance, for at leaſt one year, inſtead of ſix months, the term requiſite before. The court of twenty-four directors had before been choſen annually; but it was now enacted, that each director ſhould, for the future, be choſen for four years; ſix

of

of them, however, to go out of office by rotation every year, and not to be capable of being re-chosen at the election of the six new directors for the ensuing year. In consequence of these alterations, the courts, both of the proprietors and directors, it was expected, would be likely to act with more dignity and steadiness than they had usually done before. But it seems impossible, by any alterations, to render those courts, in any respect, fit to govern, or even to share in the government of a great empire; because the greater part of their members must always have too little interest in the prosperity of that empire, to give any serious attention to what may promote it. Frequently a man of great, sometimes even a man of small fortune, is willing to purchase a thousand pounds share in India stock, merely for the influence which he expects to acquire by a vote in the court of proprietors. It gives him a share, though not in the plunder, yet in the appointment of the plunderers of India; the court of directors, though they make that appointment, being necessarily more or less under the influence of the proprietors, who not only elect those directors, but sometimes over-rule the appointments of their servants in India. Provided he can enjoy this influence for a few years, and thereby provide for a certain number of his friends, he frequently cares little about the dividend, or even about the value of the stock upon which his vote is founded. About the prosperity of the great empire, in the government of which that vote gives him a share, he seldom cares at all. No other sovereigns ever were, or, from the nature of things, ever could be, so perfectly indifferent about the happiness or misery of their subjects, the improvement or waste of their dominions, the glory or disgrace of their administration; as, from irresistible moral causes, the greater part of the proprietors of such a mercantile company are, and necessarily must be. This indifference too was more likely to be increased than diminished by some of the new regulations, which were made in consequence of the parliamentary inquiry. By a resolution of the House

Houſe of Commons, for example, it was declared, that when the fourteen hundred thouſand pounds lent to the company by government ſhould be paid, and their bond-debts be reduced to fifteen hundred thouſand pounds, they might then, and not till then, divide eight per cent. upon their capital; and that whatever remained of their revenues and nett profits at home, ſhould be divided into four parts; three of them to be paid into the exchequer for the uſe of the publick, and the fourth to be reſerved as a fund, either for the further reduction of their bond-debts, or for the diſcharge of other contingent exigencies, which the company might labour under. But if the company were bad ſtewards, and bad ſovereigns, when the whole of their nett revenue and profits belonged to themſelves, and were at their own diſpoſal, they were ſurely not likely to be better, when three-fourths of them were to belong to other people, and the other fourth, though to be laid out for the benefit of the company, yet to be ſo, under the inſpection, and with the approbation, of other people.

It might be more agreeable to the company that their own ſervants and dependants ſhould have, either the pleaſure of waſting, or the profit of embezzling, whatever ſurplus might remain, after paying the propoſed dividend of eight per cent. than that it ſhould come into the hands of a ſet of people with whom thoſe reſolutions could ſcarce fail to ſet them, in ſome meaſure, at variance. The intereſt of thoſe ſervants and dependants might ſo far predominate in the court of proprietors as ſometimes, to diſpoſe it to ſupport the authors of depredations which had been committed in direct violation of its own authority. With the majority of proprietors, the ſupport even of the authority of their own court, might ſometimes be a matter of leſs conſequence than the ſupport of thoſe who had ſet that authority at defiance.

The regulations of 1773, accordingly, did not put an end to the diſorders of the company's government in India. Notwithſtanding,

that, during a momentary fit of good conduct, they had, at one time, collected, into the treaſury of Calcutta, more than three millions ſterling, notwithſtanding, that, they had afterwards extended, either their dominion, or their depredations, over a vaſt acceſſion of ſome of the richeſt and moſt fertile countries in India; all was waſted and deſtroyed. They found themſelves altogether unprepared to ſtop or reſiſt the incurſion of Hyder Ali; and, in conſequence of thoſe diſorders, the company is now (1784) in greater diſtreſs than ever; and, in order to prevent immediate bankruptcy, is once more reduced to ſupplicate the aſſiſtance of government. Different plans have been propoſed by the different parties in parliament, for the better management of its affairs. And all thoſe plans ſeem to agree in ſuppoſing, what was indeed always abundantly evident, that it is altogether unfit to govern its territorial poſſeſſions. Even the company itſelf ſeems to be convinced of its own incapacity ſo far, and ſeems, upon that account, willing to give them up to government.

WITH the right of poſſeſſing forts and garriſons, in diſtant and barbarous countries, is neceſſarily connected the right of making peace and war in thoſe countries. The joint ſtock companies which have had the one right, have conſtantly exerciſed the other, and have frequently had it expreſsly conferred upon them. How unjuſtly, how capriciouſly, how cruelly they have commonly exerciſed it, is too well known from recent experience.

WHEN a company of merchants undertake, at their own riſk and expence, to eſtabliſh a new trade with ſome remote and barbarous nation, it may not be unreaſonable to incorporate them into a joint ſtock company, and to grant them, in caſe of their ſucceſs, a monopoly of the trade for a certain number of years. It is the eaſieſt and moſt natural way in which the ſtate can recompenſe them for hazarding a dangerous and expenſive experiment, of which the publick

publick is afterwards to reap the benefit. A temporary monopoly of this kind may be vindicated upon the ſame principles upon which a like monopoly of a new machine is granted to its inventor, and that of a new book to its author. But upon the expiration of the term, the monopoly ought certainly to determine; the forts and garriſons, if it was found neceſſary to eſtabliſh any, to be taken into the hands of government, their value to be paid to the company, and the trade to be laid open to all the ſubjects of the ſtate. By a perpetual monopoly, all the other ſubjects of the ſtate are taxed very abſurdly in two different ways; firſt, by the high price of goods, which, in the caſe of a free trade, they could buy much cheaper; and, ſecondly, by their total excluſion from a branch of buſineſs, which it might be both convenient and profitable for many of them to carry on. It is for the moſt worthleſs of all purpoſes too that they are taxed in this manner. It is merely to enable the company to ſupport the negligence, profuſion, and malverſation of their own ſervants, whoſe diſorderly conduct ſeldom allows the dividend of the company to exceed the ordinary rate of profit in trades which are altogether free, and very frequently makes it fall even a good deal ſhort of that rate. Without a monopoly, however, a joint ſtock company, it would appear from experience, cannot long carry on any branch of foreign trade. To buy in one market, in order to ſell, with profit, in another, when there are many competitors in both; to watch over, not only the occaſional variations in the demand, but the much greater and more frequent variations in the competition, or in the ſupply which that demand is likely to get from other people, and to ſuit with dexterity and judgment both the quantity and quality of each aſſortment of goods to all theſe circumſtances, is a ſpecies of warfare of which the operations are continually changing, and which can ſcarce ever be conducted ſucceſsfully, without ſuch an unremitting exertion of vigilance and attention, as cannot long be expected from the directors

of a joint ſtock company. The Eaſt India Company, upon the redemption of their funds, and the expiration of their excluſive privilege, have a right, by act of parliament, to continue a corporation with a joint ſtock, and to trade in their corporate capacity to the Eaſt Indies in common with the reſt of their fellow-ſubjects. But in this ſituation, the ſuperior vigilance and attention of private adventurers would, in all probability, ſoon make them weary of the trade.

AN eminent French author, of great knowledge in matters of political oeconomy, the Abbé Morellet, gives a liſt of fifty-five joint ſtock companies for foreign trade, which have been eſtabliſhed in different parts of Europe ſince the year 1600, and which, according to him, have all failed from miſmanagement, notwithſtanding they had excluſive privileges. He has been miſinformed with regard to the hiſtory of two or three of them, which were not joint ſtock companies and have not failed. But, in compenſation, there have been ſeveral joint ſtock companies which have failed, and which he has omitted.

THE only trades which it ſeems poſſible for a joint ſtock company to carry on ſucceſsfully, without an excluſive privilege, are thoſe, of which all the operations are capable of being reduced to what is called a Routine, or to ſuch a uniformity of method as admits of little or no variation. Of this kind is, firſt, the banking trade; ſecondly, the trade of inſurance from fire, and from ſea riſk and capture in time of war; thirdly, the trade of making and maintaining a navigable cut or canal; and, fourthly, the ſimilar trade of bringing water for the ſupply of a great city.

THOUGH the principles of the banking trade may appear ſomewhat abſtruſe, the practice is capable of being reduced to ſtrict rules. To depart upon any occaſion from thoſe rules, in conſequence of ſome flattering ſpeculation of extraordinary gain, is almoſt always extremely dangerous, and frequently fatal to the banking company which

attempts

attempts it. But the conſtitution of joint ſtock companies renders them in general more tenacious of eſtabliſhed rules than any private copartnery. Such companies, therefore, ſeem extremely well fitted for this trade. The principal banking companies in Europe, accordingly, are joint ſtock companies, many of which manage their trade very ſucceſsfully without any excluſive privilege. The Bank of England has no other excluſive privilege, except that no other banking company in England ſhall conſiſt of more than ſix perſons. The two banks of Edinburgh are joint ſtock companies without any excluſive privilege.

THE value of the riſk, either from fire, or from loſs by ſea, or by capture, though it cannot, perhaps, be calculated very exactly, admits, however, of ſuch a groſs eſtimation as renders it, in ſome degree, reducible to ſtrict rule and method. The trade of inſurance, therefore, may be carried on ſucceſsfully by a joint ſtock company, without any excluſive privilege. Neither the London Aſſurance, nor the Royal Exchange Aſſurance Companies, have any ſuch privilege.

WHEN a navigable cut or canal has been once made, the management of it becomes quite ſimple and eaſy, and is reducible to ſtrict rule and method. Even the making of it is ſo, as it may be contracted for with undertakers at ſo much a mile, and ſo much a lock. The ſame thing may be ſaid of a canal, an aqueduct, or a great pipe for bringing water to ſupply a great city. Such undertakings, therefore, may be, and accordingly frequently are, very ſucceſsfully managed by joint ſtock companies without any excluſive privilege.

TO eſtabliſh a joint ſtock company, however, for any undertaking, merely becauſe ſuch a company might be capable of managing it ſucceſsfully; or to exempt a particular ſet of dealers from ſome of the general laws which take place with regard to all their neighbours,

bours, merely becauſe they might be capable of thriving if they had ſuch an exemption, would certainly not be reaſonable. To render ſuch an eſtabliſhment perfectly reaſonable, with the circumſtance of being reducible to ſtrict rule and method, two other circumſtances ought to concur. Firſt, it ought to appear with the cleareſt evidence, that the undertaking is of greater and more general utility than the greater part of common trades; and ſecondly, that it requires a greater capital than can eaſily be collected into a private copartnery. If a moderate capital was ſufficient, the great utility of the undertaking would not be a ſufficient reaſon for eſtabliſhing a joint ſtock company; becauſe, in this caſe, the demand for what it was to produce would readily and eaſily be ſupplied by private adventurers. In the four trades above mentioned, both thoſe circumſtances concur.

THE great and general utility of the banking trade, when prudently managed, has been fully explained in the ſecond book of this Inquiry. But a publick bank which is to ſupport publick credit, and upon particular emergencies to advance to government the whole produce of a tax, to the amount, perhaps, of ſeveral millions, a year or two before it comes in, requires a greater capital than can eaſily be collected into any private copartnery.

THE trade of inſurance gives great ſecurity to the fortunes of private people, and by dividing among a great many that loſs which would ruin an individual, makes it fall light and eaſy upon the whole ſociety. In order to give this ſecurity, however, it is neceſſary that the inſurers ſhould have a very large capital. Before the eſtabliſhment of the two joint ſtock companies for inſurance in London, a liſt, it is ſaid, was laid before the attorney-general, of one hundred and fifty private inſurers who had failed in the courſe of a few years.

THAT navigable cuts and canals, and the works which are ſometimes neceſſary for ſupplying a great city with water, are of great and general utility; while, at the ſame time, they frequently require

a greater expence, than ſuits the fortunes of private people, is ſufficiently obvious.

EXCEPT the four trades above mentioned, I have not been able to recollect any other in which all the three circumſtances, requiſite for rendering reaſonable the eſtabliſhment of a joint ſtock company, concur. The Engliſh copper company of London, the lead ſmelting company, the glaſs-grinding company, have not even the pretext of any great or ſingular utility in the object which they purſue; nor does the purſuit of that object ſeem to require any expence unſuitable to the fortunes of many private men. Whether the trade which thoſe companies carry on, is reducible to ſuch ſtrict rule and method as to render it fit for the management of a joint ſtock company, or whether they have any reaſon to boaſt of their extraordinary profits, I do not pretend to know. The mine-adventurers company has been long ago bankrupt. A ſhare in the ſtock of the Britiſh Linen Company of Edinburgh ſells, at preſent, very much below par, though leſs ſo than it did ſome years ago. The joint ſtock companies, which are eſtabliſhed for the publick ſpirited purpoſe of promoting ſome particular manufacture, over and above managing their own affairs ill, to the diminution of the general ſtock of the ſociety, can in other reſpects ſcarce ever fail to do more harm than good. Notwithſtanding the moſt upright intentions, the unavoidable partiality of their directors to particular branches of the manufacture, of which the undertakers miſlead and impoſe upon them, is a real diſcouragement to the reſt, and neceſſarily breaks, more or leſs, that natural proportion which would otherwiſe eſtabliſh itſelf between judicious induſtry and profit, and which, to the general induſtry of the country, is of all encouragements the greateſt and the moſt effectual.

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